



Daily Report

East Asia

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CONTENTS

22 January 1996

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NORTHEAST ASIA

Japan

Japan: Clinton Hopes To Build Ties With Hashimoto [KYODO]	1
Japan: Ikeda on Role of Alliance With Washington [KYODO]	1
Japan: Ikeda, Christopher 'Clashed' Over Trade [KYODO]	2
Tokyo: Tsukahara, Mondale Discuss Clinton Visit [KYODO]	3
Tokyo Hopes To Resolve Base Issue Before Clinton Visit [KYODO]	3
Japan: Rape Case Shows No 'Significant' Effect on U.S. Ties [KYODO]	3
Japan: Hashimoto Vows To Keep Security Alliance With U.S. [KYODO]	4
Japanese Article: U.S. 'Testing' Hashimoto Government [NIHON KEIZAI SHIMBUN 20 Jan]	4
Japanese Experts on Prospects, Security Pact [SANKEI SHIMBUN 3 Jan]	5
Japanese Editorial on Hashimoto Being 'Tough' on Okinawa Issues [ASAHI SHIMBUN 21 Jan]	8
Tokyo, Washington Set Deadline for Bilateral Issues [KYODO]	9
Tokyo Reiterates Intention To Reject Chip Accord Extension [NIHON KEIZAI SHIMBUN 20 Jan]	10
Tokyo Says No Film Talks at Government Level [KYODO]	11
Japan: ANA Chief Urges Passenger Aviation Talks [NIHON KEIZAI SHIMBUN 20 Jan]	11
Japan: Rubin, Kubo Begin Talks Before G-7 Meeting [KYODO]	11
Rubin Urges Tokyo To Implement Housing Lender Scheme [KYODO]	12
Japanese Officials on Rubin-Kubo Meeting in Paris [KYODO]	12
Japan: Kubo, Ikeda Brief Hashimoto on Overseas Trips [KYODO]	13
Japan's Ikeda Considers Attending Asian Meeting [KYODO]	13
Japan: Bhutto Urges India To Hold Bilateral Nuclear Talks [KYODO]	14
Japan: DPRK Premier Reportedly in Poor Health [KYODO]	14
Japan: Pressure Mounting To Fund DPRK Oil Costs [KYODO]	15
Japanese Official: No Plan for Rice to Pyongyang [KYODO]	15
Japan's EPA Chief Comments on Economic Reform [KYODO]	15
Japan's Kubo Praises Dollar's Rises Before G-7 Meeting [KYODO]	16
Japan's Coalition Leaders Urge Disclosure of Jusen Borrowers [KYODO]	16
Japan's Hashimoto Favors Releasing Names of Top Borrowers [KYODO]	17
Japan's Hashimoto, Kubo 'Agree' To Disclose Borrowers List [KYODO]	17
Japan's Kubo To Promote Bad Loan Information Disclosure [KYODO]	18
Japan's Hashimoto Gives Speech to Diet Session [KYODO]	19
Japan's Hashimoto Views Creation, Reform in Policy Speech [KYODO]	27
'Highlights' of Japan's Hashimoto's Policy Speech [KYODO]	28
Japanese Commentator Views New Administration [SANKEI SHIMBUN 16 Jan]	28
Japanese 'Rightist' Crashes Vehicle Into Diet Building [KYODO]	30

North Korea

'Secret Documents' on U.N. Forces in ROK Made Public [KCNA]	30
DPRK-U.S. Talks on GI Remains Reported [KCNA]	30
DPRK Deplores Joint U.S.-ROK Naval Exercises [KCNA]	31
DPRK Commentary Critical of U.S.-ROK Military Exercises [KCNA]	31
DPRK Commentary Assails U.S. Military Maneuvers [Pyongyang Radio]	32

DPRK Commentary Denounces U.S. Military Moves [KCNA]	33
DPRK Warns ROK Against 'Military Provocations' [KCNA]	33
DPRK Denounces Planned U.S.-ROK Military Exercises [KCNA]	33
ROK Plans To Hold Military Exercise [KCNA]	34
ROK Criticized for Attitude Toward DPRK [KCNA]	34
ROK Charged With Trying To Block DPRK-Japan Ties [KCNA]	34
DPRK Commentary Demands Stop to 'Fascist Suppression' [KCNA]	35
DPRK Committee Condemns ROK Suppression of Dissidents [KCNA]	35
DPRK Commentary on ROK Kim Yong-sam Clan 'Corruption' [KCNA]	35
DPRK Analyst Condemns Scandals in Kim Yong-sam 'Clan' [KCNA]	36
DPRK Article Stresses Achievement of Korean Reunification [KCNA]	36
Literature Praising Kim Il-song, Son Found in ROK [KCNA]	37
Japanese Delegation Discusses Economic Projects in DPRK [KCNA]	37
Article Notes Importance of Internationalism to DPRK [KCNA]	37
Article Lauds Progress of Socialism in DPRK [MINJU CHOSON 25 Oct]	38
Talk Extols Attributes of Socialism in DPRK [Pyongyang Radio]	40
Respect for Marx, Lenin, Others in DPRK Emphasized [KCNA]	42
DPRK Spokesman Complains About Level of 'Assistance' [KCNA]	42
'Intensifying' State Legal Order in DPRK Advocated [MINJU CHOSON 15 Dec]	43
Kim Chong-il Receives Athletes, Commanders of KPA [Pyongyang Radio]	45
Kim Chong-il Congratulates KPA Athletes [KCNA]	46
Kim Chong-il Praised as Master of 'Witty Remarks' [KCNA]	46
Completion of Projects by Young People in DPRK Noted [KCNA]	47
LSWYK Renamed 'Kim Il-song Socialist Youth League' [KCNA]	48
Editorial Endorses Name Change for DPRK Youth Group [KCNA]	48
Kim Chong-il Receives Youth League Officials [KCNA]	49
Kim Il-song Socialist Youth League Celebrates [KCNA]	50
Kim Chong-il Present at Close of LSWYK Conference [KCNA]	50
DPRK Ambassador to PRC Hosts New Year's Banquet [Pyongyang Radio]	51
DPRK, Bosnia-Herzegovina Establish Diplomatic Relations [KCNA]	52
Indonesian President Receives DPRK Ambassador [KCNA]	52

South Korea

U.S. Aerospace Defense Commander Meets ROK Air Force Chief [THE KOREA TIMES 10 Jan]	52
ROK, U.S. Reach Final Agreement on Food Expiration Dates [SEOUL SINMUN 21 Jan]	52
ROK: USFK Civilian Arrested on Suspicion of Murder [THE KOREA TIMES 21 Jan]	53
SOFA Revision Sought To Allow Base Environmental Checks [THE KOREA TIMES 21 Jan]	53
U.S. Paper Rectifies Article on ROK Kim Yong-sam's Son [THE KOREA HERALD 9 Jan]	54
U.S. Notifies ROK of Heavy Oil Funds Budget [MUNHWA ILBO 20 Jan]	54
DPRK Official: Ex-U.S. Soldiers Teach English in DPRK [CHOSON ILBO 20 Jan]	55
U.S.-DPRK Ties To Keep 'in Balance' With Inter-Korean Ties [HANGUK ILBO 22 Jan]	55
U.S. Plans To Give More Rice Aid to DPRK [Seoul Radio]	55
U.S. Ambassador Laney's ROK TV Interview Reported [YONHAP]	55
ROK Daily on U.S. Pressure for Rice Supply to DPRK [CHOSON ILBO 21 Jan]	56
DPRK Proposes Sinpo as Venue for KEDO Negotiations [KYONGHYANG SINMUN 22 Jan]	57
Red Cross Relief Goods to DPRK To Bear ROK Labels [YONHAP]	57
ROK Takes 'Flexible,' Conditional Stance on DPRK Aid [YONHAP]	58
ROK Opposes Consortium Method of Food Aid to DPRK [HANGUK ILBO 22 Jan]	58
ROK Ministry Official on Rice Aid to DPRK [YONHAP]	58
Defection of DPRK Diplomat's Wife Discussed [CHOSON ILBO 14 Jan]	59
DPRK Plans To Promote External Economic Cooperation [HANGYORE SINMUN 21 Jan]	60
Many DPRK Overseas Missions Reportedly Shut Down [CHUNGANG ILBO 22 Jan]	61

DPRK Leaders Said Increasingly Sending Children Overseas [CHUNGANG ILBO 19 Jan]	61
Daewoo Technicians Say DPRK Workers Undernourished [CHUNGANG ILBO 20 Jan]	61
DPRK Prevents Foreign Reporters From Covering Situation [Seoul Radio]	62
ROK Finalizes Official Figure on DPRK Grain Output [SEOUL SINMUN 1 Jan]	62
DPRK 'Uncooperative Attitude' Impeding Inter-Korean Trade [YONHAP]	62
DPRK Decides To Open Waters Off Coast to ROK Fishing [CHOSON ILBO 21 Jan]	62
ROK Studies DPRK Proposal on World Cup [THE KOREA TIMES 21 Jan]	63
ROK Dailies on DPRK Proposal To Co-host World Cup [HANGUK ILBO 21 Jan, etc.]	63
ROK Decides To Accommodate Taiwan Demand in Air Talks [THE KOREA TIMES 21 Jan]	64
Russia Seeks ROK Intellectual Property Rights Accord [CHUNGANG ILBO 21 Jan]	65
ROK Foreign Ministry Official on Bosnia 'Security' Support [KYONGHYANG SINMUN 20 Jan]	65
Al-Qadhdhafi Asks ROK To Help Ease Sanctions on Libya [SEOUL SINMUN 19 Jan]	65
ROK President Sends Congratulations to Yasir 'Arafat [YONHAP]	66
ROK Welcomes Outcome of Palestine Elections [YONHAP]	66
ROK Navy Begins Operation To Detect Illegal Immigrants [THE KOREA TIMES 21 Jan]	66
Foreign Agricultural Products Register Low ROK Sales [THE KOREA TIMES 1 Jan]	66
ROK High Prosecution Turns Down Perjury Complaint [YONHAP]	67
ROK's Chon Tu-hwan Files New Petition With Court [YONHAP]	67
ROK Ministry Reports 1995 Energy Import Figures [YONHAP]	67
ROK Oil Tax Linked to Volume Versus Ex-Factory Price [THE KOREA TIMES 4 Jan]	67
ROK 'Shedding Interventionist Stance' on Economy [THE KOREA TIMES 21 Jan]	68

SOUTHEAST ASIA

Burma

Burmese SLORC Chairman Than Shwe Returns From PRC [Rangoon Radio]	70
Burma's Suu Kyi Sends Message to Democracy Convention [BurmaNet News]	70
Burmese Panel of Chairmen Gives Reports on Legislature [Rangoon TV]	71
Burmese Panel Presents Reports on Executive Chapter [Rangoon TV]	71
Burmese Panel of Chairmen on Executive Chapter Results [Rangoon TV]	72
Burmese NLD Official on Detention of Members, Dancers [London International]	73
Burmese Shan Dissidents Vow To 'Hunt Down' Khun Sa [THAILAND TIMES 11 Jan]	74
Business Deals Between Thai Merchants, Burmese Karen Groups [BurmaNet News]	75
Burmese KNPP Report Provides Details of SLORC Offensive [BurmaNet News]	75
Burmese KNU-SLORC Peace Talks, Rights Abuses Reported [BurmaNet News 12 Jan]	76

Brunei, Malaysia & Singapore

Malaysia

Malaysian Bosnia 'Implementation Unit' Group Leaves [Kuala Lumpur TV]	76
Canada's Chretien on Desire for More Involvement in Asia [Kuala Lumpur International]	77

Singapore

Singapore's Lee Hospitalized for Chest Pains [THE STRAITS TIMES 20 Jan]	77
Singapore's Lee's Arteries 'Successfully Opened' [Singapore Radio]	77
Singapore's Lee Out of Intensive Care [THE STRAITS TIMES 22 Jan]	78

Cambodia

Khmer Rouge Criticizes U.S. Assistant Secretary's Visit [Radio PGNUNS]	78
Cambodia's Hun Sen Welcomes Spanish Investors [THE CAMBODIA TIMES 31 Dec]	78

Indonesia

East Timor Leader Abilio Araujo Interviewed [Lisbon DIARIO DE NOTICIAS 17 Jan]	79
--	----

E.Timor Rebel Offers To Mediate in Hostages Issue [INDONESIA Listserv]	80
Efforts To Free Indonesia Hostages Show 'Bright Signs' [ANTARA]	81
Indonesian Kidnappers Extend Ultimatum to Military [ANTARA]	81
Commercial Flights to Irian Jaya Hostage Site Suspended [MERDEKA 22 Jan]	82
Indonesian Kidnappers Warned of Possible Military Operation [ANTARA]	82
Irian Jaya Kidnappers Free Local Hostage; 13 Remain [ANTARA]	82
Indonesia Rejects Rival Islamic Group's Leadership [Jakarta Radio]	83

Philippines

Philippines Campaign Against Terrorism Continues [MANILA STANDARD 5 Jan]	83
Philippines Charges Filed Against Suspected Terrorists [MALAYA 6 Jan]	83
Philippines Mindanao Under 'Close Watch' for Terrorists [THE MANILA CHRONICLE 10 Jan]	84
Philippines General Assures '100 Percent' APEC Protection [PNA]	84

Thailand

Thai Politician: Reno Extradition Remark for Election [Bangkok TV]	84
Thai Editorial: Thanong Extradition Positive Step [KRUNGTHEP THURAKIT 20 Jan]	84
Senior Thai MP: U.S. Exploiting Thanong's Extradition [THE SUNDAY NATION 21 Jan]	85
Thailand's Thanat Advises Suing Reno for Libel [THAILAND TIMES 22 Jan]	86
Thai 'Source' Comments on Burma-DPRK Talks [THE NATION 22 Jan]	86
India's Mukherjee Views ASEAN on Thai Visit [THE NATION 19 Jan]	87

Vietnam

SRV Reports Leaders Meeting With U.S. Winston Lord [Hanoi Radio]	88
SRV's Vo Van Kiet Discusses Ties With PRC Ambassador [VNA]	88
SRV's Vo Van Kiet, Ho Chi Minh City Officials Meet [VNA]	88
SRV Customs Department Reviews 1995 Performance [VNA]	89

AUSTRALASIA

New Caledonia

New Caledonia Parties Move Toward Independence [AFP]	90
--	----

New Zealand

New Zealand Airports on Alert for Arms Suspect [THE PRESS 9 Jan]	90
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Japan

Japan: Clinton Hopes To Build Ties With Hashimoto

OW2001000196 Tokyo KYODO in English
2311 GMT 19 Jan 96

[FBIS Transcribed Text] Washington, Jan. 19 KYODO — U.S. President Bill Clinton expressed hope Friday [20 January] to build ties with Japanese Prime Minister Ryutaro Hashimoto, while emphasizing the importance of the comprehensive bilateral relationship, a Japanese official said.

The official, in a briefing on a 10-minute call by Japan's Foreign Minister Yukihiko Ikeda to the president, said Clinton said he is looking forward to working with Hashimoto when he meets the new Japanese prime minister during his rescheduled state visit to Tokyo in April.

Ikeda told Clinton that Japan places the highest priority in its relations with the United States and that the prime minister wants to make the president's visit "successful by all means," the official said.

The official quoted Ikeda as also saying, "The president's visit is an important step not only for the bilateral relationship but also for the Asia-Pacific region."

Clinton agreed to this, the Japanese official said.

After the meeting with Clinton, Ikeda met with National Security Adviser Anthony Lake, reiterating Japan's hope to show a clear direction for the Okinawa issue before the president's visit, the official said.

Ikeda also said Japan wants to find a concrete solution by fall through ongoing discussions at a special joint action committee.

The official only said that Lake described the current bilateral relations as good.

The committee was established in November to address the growing outcry in Okinawa for reduction in the U.S. military presence there following a September rape of a 12-year-old schoolgirl, for which three U.S. servicemen are on trial.

Japan: Ikeda on Role of Alliance With Washington

OW2201085796 Tokyo KYODO in English
0818 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Japan's security alliance with the United States bears significance not only for bilateral cooperation but also for the maintenance of peace and prosperity in the Asia-

Pacific region, Foreign Minister Yukihiko Ikeda said Monday [22 January].

"Of our bilateral relations, the Japan-U.S. one is the top priority of Japan's foreign policy and we need to continue strengthening cooperative bilateral ties in a broad range of fields," Ikeda said in a major foreign policy speech before the parliament.

"The Japan-U.S. security regime, among others, is a major pillar of our security policy. It not only lays the political basis of the Japan-U.S. cooperative relationship but is also important to maintaining peace and prosperity in the Asia-Pacific region," he said.

Referring to the heavy U.S. military presence in Japan's southwestern island prefecture of Okinawa, the foreign minister said Tokyo will endeavor to realign, consolidate and scale down U.S. bases there in cooperation with Washington.

Japan-U.S. ties have been shaky, especially on the scale of U.S. troops stationed in Japan, since the rape of a 12-year-old schoolgirl in Okinawa in September, for which three U.S. Servicemen are on trial.

In outlining Japan's principal foreign policy goals, Ikeda expressed his determination to fulfill his duties so the nation can play a "creative" role in fashioning a new international order in the post-Cold War era.

Noting the need for resolving regional conflicts, he said Japan will continue contributing to peace and stability in the former Yugoslavia and in the Middle East.

As a minister of the world's only nuclear-bombed nation, Ikeda also reiterated the importance of nuclear disarmament.

He urged all countries not to test nuclear weapons, in accordance with UN resolutions calling for the ultimate abolition of nuclear arsenals and halting of nuclear testing.

The foreign minister also vowed to help the proposed comprehensive test ban treaty, which aims at a global ban on all underground nuclear tests, to be concluded in the spring and signed into force in the fall.

On the economic front, Ikeda said Japan, as the world's second largest economy, should take the initiative in securing sustainable growth of the world economy.

To this end, Japan will further push for deregulation and try to create an economic society that harmonizes well with the international community, he said.

Specifically, Ikeda spoke of the need to strengthen the multilateral free-trade regime under the World Trade Organization (WTO), which replaced the General

Agreement on Tariffs and Trade (GATT) on Jan. 1 last year.

On relations with other countries, the foreign minister noted that the friendly cooperative relationship between Japan and South Korea is vital in terms of peace and stability in Northeast Asia.

Ikeda said Japan will keep in close touch with South Korea, both in its efforts to normalize ties with North Korea and for the sake of the stability of the Korean peninsula.

Tokyo will make an active contribution toward the steady implementation of an international project to supply Pyongyang with modern nuclear reactors.

He was referring to the Korean peninsula Energy Development Organization's scheme to allay international concerns about North Korea's alleged push for nuclear weapons.

The international consortium, formed in March last year with Japan, South Korea and the U.S. as its core members, plans to provide the north with two light-water nuclear reactors which produce less plutonium than other reactors. Plutonium is a key ingredient in nuclear weapons.

Ikeda also cited as foreign policy priority areas multi-lateral cooperation under various political and economic regimes such as the United Nations, the group of seven summit and the Asia-Pacific Economic Cooperation forum.

Japan: Ikeda, Christopher 'Clashed' Over Trade

OW1901235196 Tokyo KYODO in English
2332 GMT 19 Jan 96

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, Jan. 19 KYODO — Japanese Foreign Minister Yukihiko Ikeda and U.S. Secretary of State Warren Christopher clashed Friday [20 January] over a new U.S. overture of solving outstanding trade disputes before President Bill Clinton's visit to Tokyo in April, a senior Japanese official said.

The difference surfaced at a 90-minute working luncheon here although Ikeda and Christopher reaffirmed the importance of continuing cooperation particularly in the security area by resolving the Okinawa issue as quickly as possible, the official told reporters.

Christopher told Ikeda the two governments should cooperate in trade disputes to prevent them from overshadowing Clinton's visit, during which the two nations are

to issue a joint statement reaffirming the bilateral security alliance, the official said.

The secretary particularly mentioned U.S. calls for implementing the insurance agreement, renewing the semiconductor accord, mutually liberalizing aviation rights, and bringing disputes in the photographic film and paper market to government-level negotiations, the official said.

Ikeda rejected the U.S. demand in the semiconductor and film issues by referring to Prime Minister Ryutaro Hashimoto's stance when he was trade minister, the official said.

Against this backdrop, Ikeda stressed the importance of preventing trade issues from affecting the overall bilateral ties.

Briefing reporters separately, U.S. State Department spokesman Nicholas Burns did not comment on such individual trade issues, but said that Ikeda and Christopher agreed to keep economic issues on their agenda because they are a very important part of the bilateral relations.

Otherwise, they agreed to pursue the bilateral alliance, especially citing the need to address concerns over U.S. military presence in Okinawa as quickly as possible, the Japanese and U.S. officials said.

Referring to a joint action committee on the Okinawa issue, Burns said Christopher and Ikeda agreed that discussions should be accelerated.

Speaking at a brief joint press conference before the luncheon, Christopher himself said he intends to discuss "commitments to closer security cooperation...[ellipses as received] and base arrangements."

Ikeda told the conference that Japan wants to show a "concrete direction" through the action committee before Clinton's visit.

The officials as well as the two ministers did not touch on any specific measures to address the Okinawa issue.

The action committee was established last November in the wake of growing public outcry in Okinawa for reduction of U.S. military presence following the Sept. 4 rape of a 12-year-old schoolgirl, for which three U.S. servicemen are on trial.

Regarding Ikeda's trip to Washington only a week after the formation of the new government led by Hashimoto, Burns described it as a "good example and demonstration of (the) close relationship we both want to have and we do have."

Both Ikeda and Christopher said the bilateral ties are important for the Asia-Pacific region.

As for other topics, Ikeda reaffirmed Japan's commitments in Bosnia reconstruction and the Middle East peace process, particularly in providing election support and financial aid, the Japanese and U.S. official said.

Christopher welcomed these Japanese efforts, they said.

The foreign minister and the secretary reaffirmed the cooperation to ensure Russian reform, engage China, and push forth the multilateral program for providing safer nuclear reactors to North Korea.

Burns said they had long discussions on the Russian situation now at a "critical" stage after the recent resignation of leaders who have been a strong advocate of the Russian reform process.

Tokyo: Tsukahara, Mondale Discuss Clinton Visit

OW1901064496 Tokyo KYODO in English
0534 GMT 19 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 19 KYODO — U.S. Ambassador to Japan Walter Mondale on Friday [19 January] underlined the importance of the Japan-U.S. summit in April for the strengthening of bilateral relations, government officials said.

The U.S. envoy made the remarks at a meeting with International Trade and Industry Minister Shumpei Tsukahara, the officials said.

Mondale was quoted as saying the summit between U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto will provide an opportunity to demonstrate to the world the strength and breadth of relationships between the two countries.

At the meeting, Mondale and Tsukahara discussed Clinton's planned trip to Tokyo and bilateral issues, the officials said.

There were no discussions concerning access to the Japanese markets, they said.

Tsukahara told Mondale that Hashimoto will refer to the importance of Japan-U.S. relations in a policy speech before the Diet on Monday, the officials said.

Tokyo Hopes To Resolve Base Issue Before Clinton Visit

OW2201045596 Tokyo KYODO in English
0433 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Defense Agency Chief Hideo Usui said Monday [21 January] the government hopes to resolve the issue of

U.S. military bases in Okinawa before U.S. President Bill Clinton's state visit to Japan in April.

"By resolving the Okinawa issue, which has also become a social issue, I want to develop relations between Japan and the United States," Usui was quoted by Defense Agency officials as saying.

Usui made the remarks in his talks with visiting U.S. Undersecretary of Defense Paul Kaminski at the Defense Agency.

The government has come under pressure to reduce the U.S. military presence in Okinawa by the rage among citizens following the rape of an Okinawa schoolgirl last September in the southernmost island prefecture, for which three U.S. servicemen are now on trial.

Some 30,000 U.S. troops out of 47,000 in Japan are stationed in Okinawa with th bases taking up about 20 percent of the island.

Usui also expressed hope of visiting Washington at an early opportunity to hold talks with U.S. Defense Secretary William Perry, according to the agency officials.

Kaminski promised to convey Usui's request to Perry when he returns home, the officials said.

Japan: Rape Case Shows No 'Significant' Effect on U.S. Ties

OW2101084796 Tokyo KYODO in English
0813 GMT 21 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 21 KYODO — The Japanese people's sentiment toward China has sunk to a record low, with less than half of those polled saying they feel close to the country, according to a government survey published Sunday [21 January].

The survey by the Prime Minister's Office on attitudes to other countries and Japanese foreign policy shows 48.4 percent of the respondents said they feel close to China, down 3.0 percentage points from the previous survey in 1994, for the first reading below 50 in the nearly two decades of record-taking since 1977.

An official at the office suggested China's nuclear tests in May and August last year may have contributed to the decline.

Japanese feelings about China have been worsening since 1980, when a record high of 78.6 percent voiced positive sentiment.

On current Japan-China relations, respondents feeling ties are not in good shape rose 11.9 points to a record 45.7 percent while 45.3 percent believed relations are going well, down 8.0 points.

The survey was sent in October last year to 3,000 people aged 20 or older nationwide, with 2,093 of them or 69.8 percent responding.

Japan's efforts to obtain permanent membership on the United Nations Security Council were supported by 60.7 percent, up 4.7 points from the previous survey, and opposed by 15.7 percent, with the remaining 23.4 percent undecided.

The rape of a Japanese schoolgirl, allegedly by three U.S. servicemen, in Okinawa in September appears to have had no significant negative effect on Japanese sentiment toward the United States.

The survey said 71.2 percent of the respondents feel close to the U.S., down 2.4 points from the previous survey.

A Foreign Ministry official said the slight decline is within the usual statistical fluctuations.

Nevertheless, a record 30.5 percent said Japan-U.S. relations are in a "dangerous" state, against 62.6 percent who feel the bilateral relationship is doing well.

Those feeling close to Russia, South Korea, and the members of the European Union numbered 9.9 percent, 42.2 percent, and 43.1 percent, respectively, all showing no remarkable changes.

The rate of respondents with good sentiment toward the members of the Association of Southeast Asian Nations (ASEAN) and South Asian countries like India went up to 39.5 percent from 33.8 percent previously and to 28.4 percent from 24.2 percent, respectively.

The poll also shows a growing number of people supporting greater Japanese commitments to UN peace-keeping operations.

Some 23.5 percent of the respondents called for Japan to be more active in such activities, up 8.0 points, against 18.3 percent wanting Japanese participation to be "as little as possible," down 6.7 points, with 5.7 percent saying Japan should not be part of such missions.

The remaining 46.4 percent felt Japan should continue its current levels of contributions to UN operations to help maintain peace, up 3.0 points.

Japan: Hashimoto Vows To Keep Security Alliance With U.S.

OW2001125496 Tokyo KYODO in English
1245 GMT 20 Jan 96

[FBIS Transcribed Text] Numazu, Japan, Jan. 20 KYODO — Prime Minister Ryutaro Hashimoto said Saturday [20 January] the Japan-U.S. security setup is the

most important scheme for stability in the Asia-Pacific region.

Speaking at a seminar in Numazu, Shizuoka Prefecture, west of Tokyo, Hashimoto brushed aside demands for the abolishment of the Japan-U.S. Security Treaty and a pullout of the U.S. Military from Japan, saying such ideas are impractical.

Japan has no other choice but stick to the security arrangements with the United States, he said.

Hashimoto pledged to do his best to bring about a consolidation and realignment of the U.S. military bases in Okinawa Prefecture.

He said he aims to bring about a settlement of the issue in a way welcomed by the peoples of both Japan and the U.S., calling for a sincere approach to the problem on both sides.

Japanese Article: U.S. 'Testing' Hashimoto Government

OW2201012096 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 20 Jan 96 Evening Edition p 1

[By correspondent Hideo Kawai]

[FBIS Translated Text] Washington — At the recent meeting with Japanese Foreign Minister Yukihiko Ikeda, U.S. Secretary of State Warren Christopher urged Japan's efforts to make progress in talks on four trade sectors, including the semiconductor market. While this demand reflects U.S. high hopes on the new Hashimoto government, it is also aimed at testing the new administration's ability. The Hashimoto government will have to fulfill this difficult task before U.S. President Bill Clinton visits Japan in April.

During talks with reporters after the meeting with Christopher, Ikeda touched on the U.S. demand, saying: "It was a routine demand. The secretary appears to have said what he had to say." A U.S. government source noted: "The demand is a trial of the Hashimoto government." In contrast with its dissatisfaction and impatience with the leadership of former Prime Minister Tomiichi Murayama, the U.S. Government places high hopes on Hashimoto. The U.S. demand regarding four trade sectors should be considered part of the attempts by the Clinton administration to make more tangible achievements before the presidential race.

U.S. President Bill Clinton's visit to Japan in April will come at a time when presidential campaigning is going on. Some in the Clinton administration have expressed concern that, if issues of U.S. military bases in Okinawa and the Japan-U.S. Security Treaty are discussed as main topics in the Japan-U.S. summit to be held during

Clinton's visit to Tokyo, the United States will have to take the "defensive." To take the "offensive" at the summit meeting, the United States will shift the focus of the meeting to "economic" issues from "security" concerns.

However, it would be premature to think that the Clinton administration intends to drive the Hashimoto government into a tight corner over economic issues or to rekindle trade friction between the two nations. If trade frictions intensify, it would become a negative factor for President Clinton in the presidential race and would lay the president open to attacks by the Republicans.

It also appears that, by examining Japan's reaction to its demand, the Clinton administration intends to see whether or not there are any differences between Hashimoto and Murayama.

Japanese Experts on Prospects, Security Pact

OW2201110396 Tokyo SANKEI SHIMBUN
in Japanese 3 Jan 96 Morning Edition pp 2-3

[Discussion by Yukio Okamoto, representative of Okamoto Associates, Motoo Shiina, member of the House of Councillors, and Tadamori Takubo, professor of Kyorin University; moderated by SANKEI SHIMBUN political editor Takamitsu Kumasaka; place and date not given; first paragraph is SANKEI SHIMBUN introduction]

[FBIS Translated Text] What is the forecast for Japan for 1996? The coalition government years, a so-called transitional period, are still continuing, with a growing sentiment of a blockade of politics. Regarding diplomacy, the Japan-U.S. partnership, which has been consistent and strong since the end of the War, is now shaking, and this casts a shadow over not only the economic sphere but also the U.S.-Japan Security Treaty. What course should Japan take? The following is a spirited discussion by three experts on the Japan-U.S. relationship at a critical turning point.

[Kumasaka] The year 1995 passed in turbulence and turmoil in terms of internal politics and diplomacy. What is your forecast, in a word, for 1996?

[Shiina] The last year surely passed in great turmoil. I think ~~that~~ we have not yet emerged from the turmoil, which will continue this year again.

[Takubo] I am afraid that things will get worse in all respects. I cannot help holding a negative view of the world; loss of greenery and lakes at a steady pace will promote the spread of deserts and make oases waterless.

[Okamoto] I think this year will be depressing and things will move slowly. Until now, Japan has enjoyed gourmet food without paying attention to health, and as a result, the country suffers from a chronic internal disease. Blood test figures show that the disease is on the increase. However, without subjective symptoms, the country does not realize there is an impending crisis. No improvement will be made unless such dramatic treatment as strong medicine or changing the air are taken. This year is a critical year for Japan to make the proper changes in this direction.

[Kumasaka] Both of your views are quite severe. Now, let's start talking about the overall relationship between Japan and the United States.

[Shiina] Due to the presidential election this year in the United States, I think that issues pertaining to Japan will not be taken up in a distinct manner. However, behind the scenes, if things get worse, there is a risk that erosion of the Japan-U.S. relationship will develop. On the festive occasion of the new year, I am sorry to say that the forecast for the relationship between the two countries for the new year is not favorable.

[Takubo] In his book, "Collision of Civilization," Samuel Huntington wrote that there are three conditions and adhesives for alliance. They are the existence of common enemies, the same economic interests, and value systems.

With regard to Japan-U.S. relations, the threat of the former Soviet Union, which had existed since the end of the war, flew away with the end of the Cold War. On one hand, as a result of this, the difference in economic interests between the two countries became exposed. In other words, factors that shake the allied relationship are becoming more and more obvious while both countries have not paid attention to this. As Mr. Shiina just mentioned about the erosion of the Japan-U.S. relationship, I have sense an impending crisis. I think that the relationship between the two countries is becoming as fragile as glass.

[Okamoto] I have a slightly different views toward the issue. I think that we have emerged from the worst period. However, it is true that our relationship is still close to the bottom. Further, we have time bombs, i.e. situations in East Asia and the Far East. The Japan-U.S. relationship might collapse instantly depending on the extend of tension in the Korean Peninsula and between China and Taiwan. Therefore, being out of the worst period does not mean that the situation is getting better.

[Kumasaka] What is your view toward the Japan-U.S. Security Treaty?

[Takubo] Although I think that the interdependency between Japan and the United States is firm, it is not possible for both countries to get along well only on security issues while each suffers bruises from kicking each other under the table, like during the auto parts negotiation. In May last year, at the symposium sponsored by the Heritage Foundation of the United States, Mr. Mike Mochizuki of the Brookings Institute said, "The Japan-U.S. security arrangement is not a fire wall anymore." This is exactly correct. Why should a debtor nation assume responsibility for the security of a creditor nation? This is an increasing sentiment, but Japan has still been carried by inertia without realizing the ongoing situation.

[Okamoto] The contradictions that remain unsolved until now are gradually being reflected in an unfavorable reality. For example, although no one wants taxes, paying taxes according to profit is indispensable for the independence of a country. Likewise, although the Japan-U.S. Security Treaty is unpopular among citizens, it should essentially be considered seriously.

Although Japan neglected to do so, it had not been attacked by other countries while protected by the Japan-U.S. Security Treaty structure. Since there has been no concern about financial problems caused by the negligence of paying taxes, Japan continues to neglect paying taxes.

[Shiina] Until a little before World War II, I think that the most important responsibility of a leader of the country was to manage allied relations. This is because, since most domestic problems were somehow managed, it is necessary to maintain safety, which is, in principle, the base of economic prosperity. Therefore, what they had to do was consider with whom they should seek alliance to strengthen the structure.

However, since Japan was occupied by the United States and has had tendency to think based on this structure, the Japan-U.S. alliance had been continued by force of habit. Japan should have reviewed every year the validity of the options it choose.

[Takubo] Japan even failed to conduct evaluation of the automatic replacement of the threat by the Soviet-Union during the Cold War period with the threat by North Korea or China. It is not good to continue the Security Treaty by force of habit despite the changes in surrounding countries and the international situation, which are the foundation of the Japan-U.S. Security Treaty.

Frankly speaking, seen from a different angle, the Japan-U.S. Security Treaty brought a significant amount of material wealth to Japan. However, this long-standing

comfortable setting for Japan has brought some negative aspects, taking independent spirit away from Japanese.

[Shiina] Although the Japan-U.S. Treaty has a long history, and it has not been clearly realized by Japanese, it was true that Japan was on the winning side of the Cold War, which means that the Japan-U.S. Treaty had achieved great success, like the North Atlantic Treaty Organization [NATO]. The erosion of the security structure did not necessarily start after the Cold War. Japan somehow managed to hide the erosion even during the Cold War. However, since it was a part of the chain of defense of the West, Japan pretended, on the surface, to be a colleague.

However, it became somewhat apparent at the time of the Gulf War that Japan was just pretending to be a colleague. When someone said, "We would be grateful to receive support from Japan, because Japan is competent in many respects," Japan responded, "Although we have various things and competence, since these things are locked in a locker, we cannot open the locker with a key." I think that Japan came to be viewed with suspicious eyes.

[Kumasaka] This implies the improvement of domestic laws, i.e. the integration of emergency legislation and the constitution, doesn't it?

[Shiina] Like a sprinkler placed on a ceiling, people believe "It will work when something happens," but they have not conducted any inspection to check if it really works or if the pipe is blocked. After the Cold War, in the middle of concerns about emergencies in the Korean Peninsula or the Taiwan Strait, the role of Japan is becoming relatively significant. It is no wonder that the question: Will the sprinkler really work? arises in the United States.

The Japan side answers, "We do have a sprinkler," and the U.S. President and the Japanese Prime Minister enter a room together and confirm that there is a sprinkler. If this means reconfirmation of Japan-U.S. Security Treaty-related issues, a very dreadful thing will happen. The important thing is whether the sprinkler will work instantly at the time a fire starts.

[Takubo] Probably, they are gradually realizing that the sprinkler will bring no water. The current defense policy is restricted by the constitution, domestic law.

Since the Constitution and the Japan-U.S. Security Treaty were made before the establishment of the Self-Defense Forces, there has been no integration between them. Under emergencies, the Self-Defense Forces must observe all domestic laws, such as the Road Traffic Law, the Airport Law, the Building Standards Law, the Forest Act, the Harbor Law, etc. This is absolutely ridiculous.

This is to say that, in an emergency, a notice of cancellation of the Security Treaty can be issued by the United States. The Security Treaty has existed just because it has never been put into effect. It is becoming apparent that the Treaty will fail once it is put into effect. Such a defect in the system from the beginning has come to the surface with the growing problems in the Korean Peninsula and Taiwan.

[Okamoto] I think that the sprinkler is a very good example. There is no water in it, not because no water will come out, but because the plumbing has not been done properly. In a word, in 1960, Mr. Nobusuke Kishi established the allied relationship in exchange for his own political career. Subsequently, domestic laws were revised to comply with the Japan-U.S. Treaty. In other words, they had to put in plumbing accordingly. However, the ruling administration has, since then, failed to put in plumbing, because they did not like the Security Treaty issues, and they managed to make do without installing plumbing. Although we have a good sprinkler in terms of appearance, it will not work when it is necessary. You will realize this on the first day of a conflict, if any occurs.

[Shiina] A person who tends to think in an extreme manner would say there would be no need for a sprinkler, because there will be no fire. In reality, there is a debate that goes, "Although we cannot remove all the sprinklers, three out of four sprinklers may be removed."

[Okamoto] Speaking of improving the law, under the current system when they carry U.S. military goods, they have to stop at red lights. Also, when they carry goods from ports, since all the local autonomous bodies ban the usage of their ports for military purposes, lengthy discussion with governors who control harbors and airports must be pursued. Furthermore, when talking about the provision of ships by the Japanese government for the U.S. military to transport arms, legislation prevents this in view of protection of collective defense rights. There are many stories like this.

It is something like installing a sprinkler without pursuing necessary measures for infrastructure, i.e. without taking any measures to improve domestic law. This kind of situation lasted for several decades. When something happens that causes tension between the two countries, the Japan-U.S. relationship will collapse due to political forbearance. We are walking on a dangerous field with land mines.

[Shiina] Regarding the issue of coherence of the domestic legal system, it is, in a way, natural that emergency legislation cannot be created. The Constitution of Japan stipulates that in Japan there are no emergencies. Ac-

cording to the Preamble to the Constitution, all countries in the world are pursuing peace and they are reliable.

[Okamoto] It goes, "in trust of justice and faith."

[Shiina] The constitution was written under the precondition that emergencies will not arise and that there will be no problems if we live by this assumption. Therefore, it would be a violation of the constitution if we try to create emergency legislation. Surprisingly, this important issue has remained unsolved until now. Coherent legislation is impossible under this condition.

[Kumasaka] Mr. Takubo, under the foregoing situation in Japan, do you think that there is a possibility that the United States will terminate the Japan-U.S. Security Treaty.

[Takubo] In his article in the journal FOREIGN AFFAIRS, Mr. Chalmers Johnson, a former professor of the University of California, makes keen statements about the issues. In the event of emergencies in the Korean Peninsula, the 7th Fleet of the U.S. Forces will be sent to the Peninsula. If Japan rejects offering any assistance, when requested, due to the constitutional restrictions on the implementation of self-defense rights, the Japan-U.S. Security Treaty will instantly be terminated in view of current public opinion in the United States. Although this is only one of many opinions in the United States, which is like a gigantic elephant, we have to pay more attention that this kind of debate is emerging in the United States.

Although it is not clear if President Clinton will be reelected or a Republican president will be elected in November this year, we should not forget that the Clinton Administration is a national domestic affairs-oriented administration, and it came into power with economic regeneration as its top agenda. At the midterm election in November 1994, the Republican won in both at houses of Congress. However, if you listen to Mr. Gingrich, Speaker of the House of Representatives, and Mr. Dole, Senate Majority Leader, the United States is seeking neo-isolationism, if not isolationism. They are now becoming concerned why they have to cover one-fourth of the share of expenses of the United Nations, and they are saying that it is not necessary to work for Peace Keeping Operation [PKO]. They are becoming inward-oriented.

I would like to stress that, under such circumstances, if Japan makes some mistakes, the vulnerability of the Japan-U.S. Security Treaty will increase.

[Kumasaka] There are still people who believe that the end of the Cold War is the end of the necessity of the Japan-U.S. Security Treaty.

[Shiina] I think that, after the Cold War, a search for a new framework that we can mutually depend on has started under the new structure. Japan has a strong feeling that the Japan-U.S. Treaty will nevertheless continue. The ongoing debate on the review of the Japan-U.S. Security Treaty shows, in a way, a very fortunate situation for Japan, while other countries are looking around wondering which country they should side with. If Japan is the only country that takes things easy, it will be rejected by others who say, "Let's not include them in our group," when a collective security structure would be established.

There is no other choice for a country like Japan than to tie up with a country that is strong and that controls the seas. Therefore, the Japan-U.S. relationship is a right choice. How to cherish this relationship is the key to developing our future in many respects.

[Okamoto] Needless to say, the Japan-U.S. Treaty is designed to protect our country. If people are asked, "Do you think that national defense is necessary even after the Cold War," a majority of them will answer, "yes."

Then, what are the choices we can make? There are actually only three choices for us: to become naked, to continue the status quo, or to become independent by reinforcing the Self-Defense Force. There are no other choices. The idea of collective security in Asia will never be achieved until 15 or 20 years from now.

Therefore, regardless of the discussion regarding the importance of the Japan-U.S. Security Treaty, whether it is reduced or increased, we must realize that there are few choices as long as national defense is necessary due to the existence of physical destructive power around Japan at all times.

[Takubo] The Japan-U.S. Security should be continued. Among the choices, such as armed neutrality, unarmed neutrality, a regional security system, and the Japan-U.S. Security Treaty, the Japan-U.S. Security Treaty is the best choice. The political leaders should make the public aware that Japan can never survive if it breaks away from the United States. The problem is that no one tries to do so.

Japanese Editorial on Hashimoto Being 'Tough' on Okinawa Issues

*OW2201001596 Tokyo ASAHI SHIMBUN
in Japanese 21 Jan 96 Morning Edition p 5*

[Editorial: "Try To Be a Tough Negotiator on the 'Okinawa' Issue"]

[FBIS Translated Text] "Have we paid adequate attention to the sadness, agony, and anger of the Okinawan people since Okinawa's reversion to Japan?" These were

the words spoken by Prime Minister Ryutaro Hashimoto to explain his own understanding of the issue of U.S. military bases on Okinawa during his first news conference after his inauguration.

It may be assumed that Hashimoto dispatched Foreign Minister Yukihiko Ikeda to Washington and now plans to meet Okinawa Governor Masahide Ota this week because he realizes the seriousness of this problem, which could shake the very foundations of the Japanese-U.S. security arrangement.

U.S. authorities told Ikeda that the U.S. Government plans to take a flexible approach to the issue of reducing the burden of the Okinawan people. Japan and the United States agreed to make efforts to show a "certain direction" on this issue before the planned meeting in April between Hashimoto and U.S. President Bill Clinton. However, this is not adequate to bring bright prospects to settling the issue. Rather, the issue is closing in on Hashimoto.

A presidential election awaits the United States this coming fall. Considering this situation, what the Japan-U.S. Special Action Committee on Okinawa can accomplish will be virtually dependent on the contents of an interim report it plans to compile in April.

Former Prime Minister Tomiichi Murayama has filed a lawsuit against Ota to force landowners to extend lease contracts on their land for military purposes. Some of the contracts will expire in March. Depending on circumstances, there may develop a situation in which some of the land will be used illegally.

To resolve this knotty issue, there are three things that Hashimoto must consider in order to find a solution that will convince both the Japanese and American people.

First, he must designate the issue of U.S. military bases on Okinawa as the starting point from which Japan will determine how to build security and order in the Asia-Pacific region in the post-Cold War era, how Japan and the United States should cooperate, and how Japanese-U.S. relations ought to be.

The Japanese people are distrustful of the government's attitude toward the Okinawa issue. One of the reasons is that Japan, which claims to be a peace-loving nation, does not have, nor does it try to have its own concepts regarding diplomacy and security. Concepts that could stand up to the strategy of the United States, which asserts that it is necessary to maintain "100,000 troops in the Asia-Pacific region, of which 47,000 will be stationed in Japan."

Countries in the Asia-Pacific region are continuing to make economic progress, and Japan is faced with var-

ious problems, including the issue of building a multi-lateral security framework. It would not be beneficial to healthy bilateral relations if Japan simply accepts U.S. strategies without holding adequate discussions with the United States over the future of the region as well as having debates domestically.

Secondly, discussions over the issue of military bases on Okinawa are real negotiations, and concrete, visible results must emerge from them.

In late January, the Okinawa Prefectural Government will finalize a list of requests regarding the return of military bases. The return of the U.S. Marine Corps Air Station in Futenma [located in Ginowan City, Okinawa] will likely be the main item in this request list. The Ministry of Foreign Affairs and the Defense Agency have traditionally considered this a "fairy tale." There are numerous obstacles, such as adjustments within the U.S. forces in line with the relocation plans. However, that is precisely why this is such an invaluable task, and one that Hashimoto should seriously try to accomplish.

Finally, the Okinawan people, who suffer from the burden of military bases, are not asking the government to alleviate the situation because they are the "weak ones." What the issue of military bases on Okinawa has brought to light is an affliction that has infected Japanese politicians and advocates of democracy who nonchalantly speak about security and Japanese-U.S. ties, while looking the other way when it comes to the realities of Okinawa.

If the government insists on maintaining the security arrangement, then Hashimoto should seriously think about how the people on mainland Japan can share Okinawa's burden and exercise leadership as a prime minister from the Liberal Democratic Party in the efforts toward relocating military base functions to the mainland.

Hashimoto has been given a reputation as a "tough negotiator." At the automobile talks, for which Hashimoto won this reputation, the United States indeed made some unreasonable demands. It may be said he merely performed the role of a "negotiator," simply following the bureaucrats' direction. However, it will hardly be that simple when he comes to grips with the Okinawa issue.

How he handles the "Okinawa" issue will decide whether Hashimoto really is a "tough negotiator."

Tokyo, Washington Set Deadline for Bilateral Issues
OW2001071696 Tokyo KYODO in English
0623 GMT 20 Jan 96

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, Jan. 19 KYODO — Japan and the United States set an April deadline this week on two explosive outstanding bilateral issues: trade disputes and U.S. military presence in Okinawa.

The two nations set the timeframe for settling debate on the issues during a spate of meetings here between Japanese Foreign Minister Yukihiko Ikeda and U.S. administration leaders, including Vice President Al Gore, Secretary of State Warren Christopher and Defense Secretary William Perry.

On trade, the U.S. side revived its pressure on Japan after a relatively low-keyed stance since the two nations reached an agreement last June on nearly two years of negotiations over auto and auto parts trade.

Meanwhile, the two nations agreed to speed up discussions in a bid to address the issue of reducing the U.S. military presence in Okinawa where public outcry remains unabated following a rape last September of a schoolgirl. Three U.S. servicemen are now on trial for the rape.

U.S. sources said the administration of President Bill Clinton is apparently testing the leadership of Japan's new Prime Minister Ryutaro Hashimoto ahead of their summit meeting during Clinton's rescheduled state visit to Tokyo in April.

Washington wants to clear up outstanding problems with Japan as quickly as possible to prevent them from affecting the presidential election in November, the source said.

Analysts said that leaving problems with its major Asian ally unresolved would present an opportunity for other presidential candidates to criticize Clinton as failing to deal with foreign affairs.

A senior U.S. official, speaking on condition of anonymity, said the U.S. expects Hashimoto to show stronger commitment to resolve the problems, stressing that he was one of the few Japanese politicians to express strong support for the bilateral alliance following the Okinawa incident.

U.S. Ambassador to Japan Walter Mondale said recently, "He's also a strong friend of the U.S. relationship, and once you make a bargain, he keeps it."

Following Gore's renewed U.S. calls over trade disputes on Thursday, Christopher told Ikeda the two governments should cooperate in lingering trade issues to

prevent them from overshadowing Clinton's visit, during which the two nations are to issue a joint statement reaffirming the bilateral security alliance, a Japanese official said.

He said Gore and Christopher both specified four issues: implementing the insurance agreement, renewing the semiconductor accord, mutually liberalizing aviation rights, and bringing disputes in the photographic film and paper market to government-level negotiations.

A senior U.S. official, speaking on condition of anonymity, said the Clinton administration wants to resolve the trade disputes by April.

But the Japanese official said that Ikeda rejected the U.S. demand on the semiconductor and film issues, pointing to Hashimoto's stance on the issues when he was trade minister.

Ikeda noted that the 1991 microchip accord, which expires in July, has already seen the foreign share of the Japanese market top 20 percent as the U.S. had sought.

On the film issue, Washington wants the Japanese Government to intervene in rectifying what it claims are anticompetitive practices resulting from "keiretsu" exclusive business ties between Fuji Photo Film Co. and distributors.

Hashimoto has rejected government-level talks, while calling on the U.S. to take the case to Japan's Fair Trade Commission for antitrust investigation.

On the 1994 insurance agreement, the U.S. side has recently expressed concerns that Japan's Finance Ministry is poised to violate the accord by allowing Japanese life and nonlife insurance firms to enter the so-called "third sector" through subsidiaries.

The third sector is a market for such products combining life and casualty insurance benefits such as cancer and nursing insurance policies that are now only allowed to be offered by foreign firms in Japan.

Under the accord, the two nations agreed to bar entry of Japanese firms into the third sector until significant liberalization is made in the life and nonlife insurance markets.

Considering ongoing negotiations on reviewing the cargo portion of the 1952 bilateral aviation treaty by April, wide gaps remains between Washington, which calls for mutual liberalization of flying rights, and Tokyo, which urges a staged method.

On the Okinawa issue, the Japanese official said the two nations want to show "some basic principles" by April for ongoing special action committee talks. The committee is scheduled to issue concrete solutions next

fall for consolidating, adjusting and reducing U.S. bases in Okinawa.

Such principles would probably be announced in a written form either through the committee or through inclusion in a joint security statement to be issued by Clinton and Hashimoto in April, the official said.

But he said the two nations are still undecided on concrete measures, and will try to prepare in the short period left until Clinton's visit.

Suggesting tough discussions ahead, Washington has insisted that it is willing only to relocate some of its troops in Okinawa to other parts of Japan on the basis of maintaining the 47,000 troops deployed in Japan.

But no other regions in Japan are willing to welcome U.S. troops with open arms.

Some 30,000 U.S. troops are stationed in the southernmost island prefecture of Okinawa although it accounts for only 0.6 percent of Japan's total land area.

Tokyo Reiterates Intention To Reject Chip Accord Extension

OW2201022396 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Jan 96 Evening Edition p 2

[FBIS Translated Text] On 20 January, the Ministry of International Trade and Industry [MITI] reiterated its intention to "reject the extension" of the Japan-U.S. semiconductor agreement. MITI reaffirmed its position in reaction to a request for an extension, which the United States made at the latest meeting between the Japanese foreign minister and the U.S. secretary of state. MITI asserts that "the treaty has served its purpose" (according to an official at the MITI Policy Bureau). It also plans to reject further U.S. requests to negotiate on extending the agreement, noting that "the treaty explicitly states that it will expire at the end of July 1996" (as stated by the same official).

Since the last quarter of 1993, the share of foreign semiconductors in the Japanese market has continued to exceed 20 percent. Moreover, considerable progress has been made in cooperation between private Japanese and U.S. firms.

MITI Minister Shunpei Tsukahara has clearly stated: "It is unnecessary to extend the semiconductor agreement."

MITI also asserts that the dispute over the photographic film market "is a private sector issue that governments should stay out of" (according to a MITI official).

Tokyo Says No Film Talks at Government Level

OW2201033596 Tokyo KYODO in English
0311 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Minister of International Trade and Industry Shumpei Tsukahara expressed unwillingness Monday [22 January] toward holding government-level negotiations with the United States on the Japanese photographic film and paper market.

"I have not heard that the U.S. will take specific hard-line measures on the matter. We will simply continue to explain to them the fundamental stance we have been taking," Tsukahara told reporters after an extraordinary cabinet session.

Tsukahara also implied he does not think the U.S. has set the time limit for solving U.S.-Japan trade disputes in the four areas of semiconductors, photographic film and paper, insurance and aviation.

"I have not heard from Foreign Minister Yukihiko Ikeda that the summit meeting (between Clinton and Japanese Prime Minister Ryutaro Hashimoto) will be the deadline for the negotiations," he said.

During Ikeda's visit to the U.S. last week, U.S. Secretary of State Warren Christopher expressed hope that talks in the four trade areas will move forward before Clinton's Tokyo visit scheduled for April 16-18.

Japan: ANA Chief Urges Passenger Aviation Talks

OW2201002096 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 20 Jan 96 Morning Edition p 9

[Interview with Seiji Fukatsu, president of All Nippon Airways Company, by correspondent Yasuhiko Ota in Washington on 18 January]

[FBIS Translated Text] [Ota] What are the problems of the current aviation treaty between Japan and the United States?

[Fukatsu] The present pact has created an unusual dual structure. Currently, advantageous rights are given only to United Airlines (which took over the air routes of the now-defunct Pan American World Airways), Northwest Airlines, and Japan Airlines. These companies began flights between Japan and the United States before the current aviation pact was signed in 1952. Meanwhile, four companies, including All Nippon Airways [ANA] and Delta Airlines, which began air service between the two nations after the treaty was signed, are under severe restrictions. Fair competition is impossible under the current situation, and this goes against the interests of consumers in the two countries.

[Ota] What would you like the Japanese and U.S. Governments to do?

[Fukatsu] I hope they will immediately begin passenger aviation talks to establish a framework for fair competition. Although the two sides have currently held air cargo talks, they should discuss passenger airline service now. I strongly hope they will set conditions for fair competition. I urged U.S. Transportation Secretary Federico Pena to begin passenger service talks as soon as possible.

[Ota] What did he say?

[Fukatsu] He said he hoped to conclude the air cargo talks at an early date. He also said that if the two sides concluded the (air cargo) talks with an agreement that air cargo flights between the two nations should be further liberalized, it would be easy to settle issues concerning passenger service through "negotiations."

[Ota] What do you think of the U.S. "open sky" initiative of mutually easing all restrictions on points of departure and arrival, the number of flights, and air fares?

[Fukatsu] Although our opinion is not totally consistent with Washington's, there are many points in common between ANA and U.S. views. We totally agree with the U.S. claim that flights between the two nations be liberalized.

Japan: Rubin, Kubo Begin Talks Before G-7 Meeting

OW2001113096 Tokyo KYODO in English
1110 GMT 20 Jan 96

[FBIS Transcribed Text] Paris, Jan. 20 KYODO — Japanese Finance Minister Wataru Kubo and U.S. Treasury Secretary Robert Rubin began bilateral talks Saturday [20 January] shortly before meeting their counterparts from other Group of Seven (G-7) industrialized nations in the French capital, Japanese Government officials said.

Kubo is expected to brief Rubin on Japan's efforts to resolve the bad loan problem as well as the nation's economic conditions, the officials said.

It is the first time for Kubo to meet his U.S. counterpart since taking the post in the cabinet formed earlier in the month by Prime Minister Ryutaro Hashimoto.

On his way to Paris to attend the meeting of top G-7 financial officials, Kubo told reporters that the occasion will offer him a chance to clarify Tokyo's efforts to restore trust in Japan's financial system by explaining the government's plan to use 685 billion yen in taxpayers' money to liquidate effectively bankrupt

housing loan companies saddled with huge amounts of bad loans.

Kubo is also likely to explain to Rubin Japan's determination to restructure its deficit-ridden national finances, the officials said.

Before the G-7 meeting, Kubo and Rubin are expected to briefly exchange views on macroeconomic issues, including foreign exchange rate policy, they said.

Finance ministers and central bank governors from Britain, Canada, France, Germany, Italy, Japan and the United States will soon start a closed-door meeting.

Rubin Urges Tokyo To Implement Housing Lender Scheme

*OW2001151396 Tokyo KYODO in English
1451 GMT 20 Jan 96*

[FBIS Transcribed Text] Paris, Jan. 20 KYODO — U.S. Treasury Secretary Robert Rubin, meeting Japanese Finance Minister Wataru Kubo on Saturday [20 January], urged Japan to carry out the controversial scheme to use taxpayers' money for the liquidation of the ailing home mortgage loan companies, a U.S. Treasury spokeswoman said.

"Secretary Rubin welcomed these measures and encouraged steady implementation of these measures," the spokeswoman said, briefing reporters on the talks between Rubin and Kubo that took place shortly before a meeting of top finance officials from the Group of Seven [G-7] key industrialized countries in Paris.

During the half-hour meeting at France's Finance Ministry, Kubo explained to Rubin a series of steps for stabilizing the Japanese financial system, including the scheme for dissolving the seven housing lenders, she said.

Appearing before reporters after the meeting, Kubo said, "Rubin was positive toward the liquidation scheme."

It was the first time for Kubo to meet Rubin since taking the finance portfolio in the new cabinet formed earlier this month by Prime Minister Ryutaro Hashimoto.

The meeting took place at a time when Japan's financial sector has been drawing global attention following a series of failures at small financial institutions and the scandal at Daiwa Bank's U.S. operations.

The Japanese Government recently worked out a scheme to use 685 billion yen in general account funds to write off a huge amount of losses that will emerge after the liquidation of the seven housing lenders.

The scheme met strong opposition both from the public and the opposition camp, forcing Prime Minister

Hashimoto to face tough questions at the next ordinary Diet sitting starting Monday.

The purpose of the Kubo-Rubin meeting for Japan was to secure explicit U.S. support behind the controversial scheme, Japanese monetary sources said.

Rubin was quoted as telling Kubo, "this meeting was a good first step to develop a strong relationship" between the two countries.

Besides Japan's financial system, Rubin and Kubo traded views on exchange rates and economic policy, the spokeswoman said.

Rubin urged Kubo to reaffirm the bilateral insurance agreement struck in October 1994 to prevent Japanese insurance companies from entering the third sector of insurance business, Japanese Government officials said.

Under the agreement, major Japanese life and nonlife insurers would not be allowed to enter the third sector, such as insurance to care for the sick and elderly, until significant deregulation of the Japanese insurance industry is implemented.

Rubin and Kubo also reviewed ways of stabilizing the global financial system to prevent currency crises, which the G-7 agreed on at the previous summit meeting in Halifax, Canada, last June, the officials said.

Japanese Officials on Rubin-Kubo Meeting in Paris

*OW2101003296 Tokyo KYODO in English
2357 GMT 20 Jan 96*

[FBIS Transcribed Text] Paris, Jan. 21 KYODO — U.S. Treasury Secretary Robert Rubin on Saturday [20 January] supported Japan's scheme to liquidate ailing home mortgage companies and urged its steady implementation, a spokeswoman for the U.S. Treasury Department said.

Meeting with Japanese Finance Minister Wataru Kubo, "Secretary Rubin welcomed these measures and encouraged steady implementation of these measures," the spokeswoman said.

The Kubo-Rubin meeting in Paris took place shortly before the start of the finance ministers and the central bank governors from the Group of Seven industrialized countries. [sentence as received]

On currency markets, Rubin showed Washington's readiness to accept the recent uptrend of the dollar against other major currencies, Japanese Government officials said.

During the half-hour meeting at France's Finance Ministry, Kubo explained to Rubin a series of steps for

stabilizing the Japanese financial system, including the scheme to use 685 billion yen in taxpayers' money for dissolving the seven effectively bankrupt housing lenders, the Japanese officials said.

Kubo told Rubin that the Japanese Government will do its utmost to pass the fiscal 1996 national budget that includes the money for the mortgage scheme at an ordinary Diet session that starts next Monday, the officials said.

The officials quoted Kubo as telling Rubin, "although the scheme is very controversial at home, we will steadily carry it out so as to meet global expectations."

Appearing before reporters after the meeting, Kubo said, "Rubin was positive toward the liquidation scheme."

It was the first time for Kubo to meet Rubin since taking the finance portfolio in the new cabinet formed by Prime Minister Ryutaro Hashimoto on Jan. 11.

Rubin told Kubo, "This meeting was a good first step to develop a strong relationship" between Japan and the United States, the U.S. spokeswoman said, suggesting Washington's preparedness to build further cooperative ties with the new Japanese Government headed by Hashimoto.

The meeting took place at a time when Japan's financial sector has been drawing global attention following a series of failures at small financial institutions and the scandal at Daiwa Bank's U.S. operations.

The Japanese Government has recently worked out the scheme to use general account funds to write off a huge amount of losses that will emerge after the liquidation of the seven housing lenders.

The scheme met with strong opposition both from the public and the opposition camp, exposing Prime Minister Hashimoto to tough questions at the forthcoming Diet session.

The purpose of the Kubo-Rubin meeting for Japan was thus to secure explicit U.S. support for the controversial scheme.

Rubin told Kubo that the mortgage scheme is constructive for stabilizing Japan's financial system, the Japanese officials said.

On foreign exchange markets, Rubin welcomed the recent strengthening trend of the U.S. currency against the yen, the Japanese officials said.

Reconfirming that there is no perception gaps between the two countries on the currency markets, Kubo and Rubin agreed their monetary authorities will continue close cooperation in efforts to stabilize the exchange rates, the officials said.

On the insurance front, Rubin urged Japan to respect the bilateral insurance agreement struck in October 1994 to prevent Japanese insurance companies from entering the third sector of insurance business the officials said.

Under the agreement, major Japanese life and nonlife insurers would not be allowed to enter the third sector, such as insurance to care for the sick and elderly, until the Japanese insurance industry is deregulated significantly.

Japan: Kubo, Ikeda Brief Hashimoto on Overseas Trips

OW2101140196 Tokyo KYODO in English
1247 GMT 21 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 21 KYODO — Prime Minister Ryutaro Hashimoto had dinner Sunday [21 January] with Finance Minister Wataru Kubo and Foreign Minister Yukihiko Ikeda at a Tokyo hotel, apparently for debriefing on international meetings from which the ministers returned earlier in the day, government officials said.

Chief Cabinet Secretary Seiroku Kajiyama was also present, according to the officials.

Kubo has just returned, along with Bank of Japan Governor Yasuo Matsushita, from a meeting in Paris of finance ministers and central bankers of the group of seven leading industrial countries.

Ikeda has come back from meetings with top U.S. officials in Washington.

They discussed the financial crisis at housing loan companies and U.S. military bases in Okinawa as well as their recent overseas meetings, the officials said.

Japan's Ikeda Considers Attending Asian Meeting

OW2101105996 Tokyo KYODO in English
1017 GMT 21 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 21 KYODO — Foreign Minister Yukihiko Ikeda, just back from a visit to the United States, is considering attending a meeting of foreign ministers from 10 Asian countries to be held in Thailand next week, according to Foreign Ministry sources.

Ikeda also intends to use the occasion for separate talks with his South Korean and Chinese counterparts to help improve Japan's ties with the two neighbors, relations often soured by differing views of history, senior ministry officials said.

In Seoul, South Korean Government officials reportedly said Sunday that Foreign Minister Kong No-myung is

expected to meet with Ikeda on Feb. 3 on the Thai resort island of Phuket, where the two-day conference will be held from Feb. 2.

Ikeda returned Sunday from a three-day visit to Washington after meeting with Secretary of State Warren Christopher and other U.S. Government leaders.

It was his first overseas trip since becoming foreign minister Jan. 11.

The Phuket meeting will gather the foreign ministers of Japan, China and South Korea plus the seven member countries of the Association of Southeast Asian Nations.

It is a "very important" meeting aimed at preparing the Asian side for an unprecedented summit between the 10 countries and the European Union's 15 member nations scheduled for March 1-2 in Bangkok, a senior ministry official said.

Ikeda's trip to Phuket may be difficult because the House of Representatives' key Budget Committee is scheduled to meet in early February, ministry sources said, but he wants to attend the conference because it will mark his debut on the Asian diplomatic scene.

Prime Minister Ryutaro Hashimoto is to attend the Asia-Europe summit, which is expected to discuss the environment, food supply and other global issues as well as political and economic ones.

Japan: Bhutto Urges India To Hold Bilateral Nuclear Talks

*OW2001083496 Tokyo KYODO in English
0800 GMT 20 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 20 KYODO — Visiting Pakistani Prime Minister Benazir Bhutto urged Indian Prime Minister Narsimha Rao Saturday [20 January] to hold bilateral talks amid tensions resulting from reports that India will renew nuclear testing.

"Let India join Pakistan...anywhere in the world at any time to ensure what happened in Hiroshima and Nagasaki will never happen in Lahore (in Pakistan) or Delhi (in India)," Bhutto said.

Bhutto, who will wind up a four-day official visit to Japan later in the day, made the request at a speech she gave at Gakushuin University in Tokyo.

Bhutto's Japan trip comes after news reports that India is poised to conduct its first nuclear test since 1974 and declare possession of nuclear arms.

The United States has reportedly obtained evidence by satellite suggesting India is making preparations for what would be its second nuclear test.

Both Pakistan and India have been urged to join the Nuclear Nonproliferation Treaty (NPT), but Pakistan has said it will only do so if India joins at the same time.

Prime Minister Ryutaro Hashimoto, in his talks with Bhutto in Tokyo on Thursday, urged Pakistan and India to enter the NPT together.

In Bhutto's speech, attended by 750 people, she also called on Japan to take on a stronger leadership role in Asia in the 21st century.

"As an economic industrial giant...Japan's role will inevitably become even more pivotal than it is today," Bhutto said.

Hashimoto told Bhutto that Japan will extend a fresh low-interest loan of up to 59.65 billion yen to Pakistan in fiscal 1996 starting in April to help finance development projects in the country.

Pakistan's trade volume with Japan came to \$1.5 billion in fiscal 1994, and it received \$600 million in aid from Japan the same year, Japanese official figures show.

Japan: DPRK Premier Reportedly in Poor Health

*OW2001132396 Tokyo KYODO in English
1311 GMT 20 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 20 KYODO — North Korean Premier Kang Song-san, who has been generally absent from public events since last October, was reported Saturday [20 January] to be in poor health.

A senior official of the pro-North Korean residents group in Japan, the General Association of Korean Residents in Japan (Chongnyon), told a Japanese volunteer group Saturday that he has been informed Kang is in poor health.

The official attended a meeting to express gratitude to the volunteer group which has been offering food aid to flood victims in North Korea.

At the meeting, a message of thanks from Vice Premier Hong Song-nam was presented.

Kang, who will be 63 in March, has been absent from public functions since October last year.

He was reported to have paid homage at the palace where the body of late President Kim Il-song lay in state on New Year's Day.

Japan: Pressure Mounting To Fund DPRK Oil Costs

OW2001104996 Tokyo KYODO in English
1029 GMT 20 Jan 96

[FBIS Transcribed Text] New York, Jan. 20 KYODO — Pressure is mounting on Japan to shoulder part of the cost of fuel oil to be provided to Pyongyang under a deal with a U.S.-led consortium to provide safer nuclear reactors to North Korea, diplomatic sources said Friday [19 January].

Officials of the consortium, the Korean Peninsula Energy Development Organization (KEDO), expressed hope Friday that Japan will cover part of the financial costs to resolve the emergency nuclear issue.

The oil shipments are part of the accord established between the United States and North Korea in October 1994, in which Pyongyang agreed to freeze its old nuclear reactor project in exchange for two light-water nuclear reactors and the oil supply.

Until the light-water reactors are built in North Korea, the U.S. is to provide free of charge 500,000 tons of fuel oil, worth 50 million dollars, to North Korea each year to cover its energy needs.

Because of the budgetary crunch, however, the U.S. earmarked only 22 million dollars in fiscal 1995 for the deal and is now seeking the help of its KEDO partners, Japan and South Korea, or help from the European Union (EU).

Although KEDO has announced it would seek financial support from the EU, the EU is unlikely to spend its funds on shipping fuel oil to North Korea, the sources said.

On Tuesday, South Korean Foreign Minister Kong No-myung told KEDO his country will reject the U.S. request because Seoul shares most of the cost of constructing the two light-water reactors.

On Friday, South Korea's YONHAP NEWS AGENCY quoted South Korean authorities as saying Japan's envoy to KEDO, Tetsuya Endo, expressed Japan's readiness to shoulder more of the financial burden for the oil.

In Tokyo, however, the Japanese Foreign Ministry denied the reports.

Japanese Foreign Ministry officials said it would be hard to persuade people to agree to shoulder part of the cost of the fuel oil on top of the light-water reactor expenses.

Japanese Official: No Plan for Rice to Pyongyang

OW2201114296 Tokyo KYODO in English
1009 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Japan has no intention of providing further rice aid to North Korea, a senior Foreign Ministry official said Monday [22 January].

Vice Foreign Minister Sadayuki Hayashi told a news conference that Tokyo's rice supply to Pyongyang last year was exceptional emergency assistance.

"We are not considering a third assistance. That's our government's position," the top career official at the ministry said.

Japan agreed last year to forward a total of 500,000 tons of rice in two installments of assistance to North Korea, which has been suffering a food shortage.

Japan's EPA Chief Comments on Economic Reform

OW2201083796 Tokyo KYODO in English
0809 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Japan's top economic planner Monday [22 January] said reforms are the key word in steering the nation's economy which is finally showing some signs of improvement after a prolonged slump.

"The Japanese economy is undergoing transition from a standstill to a lasting, stable growth," said Shusei Tanaka, director general of the Economic Planning Agency (EPA) in his economic policy speech at the outset of the 150-day regular Diet session.

"In order to cut a way for new prospects, drastic reforms of economic and social structures is necessary," he said. The government will therefore further promote programs such as deregulation, administrative and fiscal reforms, he said.

Neglect of such reforms would break the current upward momentum of the economy and cause more unemployment, he said, adding that the government will implement the action plan the EPA announced last year for correcting high costs in Japan and revitalizing the economy.

Tanaka also said the private sector, for its part, should make efforts to revitalize industries.

Specifically for fiscal 1996, the government will take measures in order for the national economy to take off by itself with private-sector demand in the vanguard.

The government has allocated budget to expand public works spending and encourage private housing investment, the EPA chief said.

The government will also carry out an income tax cut at a similar scale to that of last year, while reviewing land-related taxes.

It will make utmost efforts to resolve as soon as possible the bad loan problem at seven ailing housing loan companies, while ensuring transparency in the process, he added.

referring to the world and domestic economy, the EPA chief said expansion of market-oriented economies has brought a "great competition era" to the world.

On the other hand, the Japanese economy has been at a standstill since mid-1995 due to the damage from the Kobe earthquake and the sharp appreciation of the yen against the U.S. dollar.

The situation is severe particularly in employment and at small businesses, although some bright signs have recently been observed, he said.

The government projects that the economy will show an annual 2.5 percent growth in real terms in fiscal 1996, starting April 1, against a 1.2 percent growth rate expected for fiscal 1995.

Creating systems that encourage employment of women and older workers is vital for Japan, along with rebuilding or remodeling towns and cities that are prone to natural disasters, Tanaka said.

As for the world economy, he also said Japan will continue to make efforts to improve foreign access to its markets, and will cooperate with other countries to create a framework for freer trade and investment.

Japan's Kubo Praises Dollar's Rises Before G-7 Meeting

*OW2001024596 Tokyo KYODO in English
2348 GMT 19 Jan 96*

[FBIS Transcribed Text] Paris, Jan. 19 Kyodo — Japanese Finance Minister Wataru Kubo said Friday [19 January] he welcomes the recent rises of the dollar against the yen and other major currencies from its lows last year.

Kubo, who became the finance minister under the cabinet of Prime Minister Ryutaro Hashimoto on Jan. 11, made the remark in a briefing to reporters aboard a Japanese Government plane en route to a meeting in Paris on Saturday of top financial officials from the Group of Seven (G-7) industrialized countries.

The dollar has been ascendant since hitting a postwar low of 79.75 yen on April 19, 1995. It was quoted at 105.30-40 yen in late New York trading Friday.

The G-7 last April agreed to aim at an "orderly reversal" of the dollar's weakness. The accord was reconfirmed at an October meeting of top financial officials of the G-7 countries — Britain, Canada, France, Germany, Italy, Japan and the United States.

"Recent gains of the dollar are welcomed in view of the April G-7 accord," said Kubo.

He avoided a clear-cut response, however, on whether the G-7 will agree to seek further appreciation of the dollar at Saturday's gathering.

"It's uncertain if the G-7 meeting in Paris will result in a renewed pledge to seek an orderly reversal of the dollar's fall," Kubo said.

Kubo also told reporters he will explain to his G-7 partners Tokyo's determination to reconstruct deficit-ridden national finances.

The 75 trillion yen budget plan for fiscal 1996, adopted by the Japanese Government of Hashimoto's predecessor, Tomiichi Murayama, in December, calls for issuing a record 21 trillion yen in government bonds.

Asked about the government's plans to use 685 billion yen in taxpayers' money in a move to write off huge bad loans at seven housing loan firms at the heart of Japan's banking crisis, Kubo said he will have a chance to make clear Tokyo's efforts to restore trust to the Japanese financial system at the G-7 meeting.

The Japanese Government revealed Friday that total nonperforming assets at the seven mortgage firms as of the end of June stood at 9.56 trillion yen, accounting for some 70 percent of their total assets. The liquidation of the housing lenders are expected to cause a loss of more than 6 trillion yen.

Kubo arrived in Paris on Friday evening to represent Japan at the G-7 meeting, together with Bank of Japan Governor Yasuo Matsushita. He will leave here for home Saturday evening.

Japan's Coalition Leaders Urge Disclosure of Jusen Borrowers

*OW2101104796 Tokyo KYODO in English
0940 GMT 21 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 21 KYODO — Leading lawmakers of the three parties of the ruling coalition Sunday [21 January] called in unison for publication of the names of major borrowers from financially troubled "jusen" housing loan companies.

On television programs they criticized a list released Friday by the government that omitted borrowers' real

names and other details of financial conditions at the housing lenders.

Koichi Kato, secretary general of the Liberal Democratic Party (LDP), said on two TV programs that the names of the large borrowers, mostly real estate companies, should be made public because the government plans to use taxpayers' money to handle the crisis.

Kato also urged the publication of data on the wages of employees at commercial banks which controlled the mortgage firms.

Kato's call was echoed on television by his counterparts in the coalition, Kanju Sato of the Social Democratic Party and Yukio Hatoyama of New Party Sakigake.

Kato also stressed the need to make clear the responsibility of politicians, including Prime Minister Ryutaro Hashimoto, who was finance minister when the housing loan companies rapidly expanded their lending.

Takashi Yonezawa, secretary general of the main opposition party Shinshinto (New Frontier Party), said the government's plan to use public funds to solve the financial mess should be suspended until full responsibility for the housing loan fiasco is made clear.

Japan's Hashimoto Favors Releasing Names of Top Borrowers

OW2201041696 Tokyo KYODO in English
0343 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Prime Minister Ryutaro Hashimoto said Monday [22 January] he favors releasing the names of the top borrowers from seven virtually bankrupt housing loan companies.

Hashimoto told reporters at the Prime Minister's Official Residence that the matter should be handled in a way similar to the release of names in a 1991 scandal in which Japanese securities firms compensated favored clients for trading losses.

"In the securities scandal, they emerged of their own accord," Hashimoto said.

"In the latest case, public funds are to be supplied, so the release of the information is naturally under consideration, although I don't know what form it will take."

Hashimoto was responding to comments from a number of senior politicians in the ruling coalition who criticized the government on Sunday for not releasing the names of top borrowers from the bankrupt housing loan companies.

Information the government released Friday on the scandal did not include the names of the top 50 borrowers from the seven housing loan companies.

The government documents showed only the amount owed by each of the top borrowers, whether they were corporations or individuals, the nature of the their businesses and their home prefectures.

Meanwhile, Chief Cabinet Secretary Seiroku Kajiyama told a separate press conference that he favors cooperation with the Diet if the parliament decides to launch an investigation to uncover the names.

Coalition leaders confirmed Monday at a meeting that they would ask the finance and farm ministries to release the names of top borrowers from the housing loan firms, coalition officials said.

On Sunday, Koichi Kato, secretary general of the Liberal Democratic Party, said on two TV programs that the names of the large borrowers should be made public because the government plans to use taxpayers' money to handle the crisis.

Japan's Hashimoto, Kubo 'Agree' To Disclose Borrowers List

OW2201075196 Tokyo KYODO in English
0626 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Prime Minister Ryutaro Hashimoto and Finance Minister Wataru Kubo agreed Monday [22 January] that the government should expedite disclosures concerning ailing housing loan companies, government officials said.

After a meeting with Kubo at the premier's residence, Hashimoto said the government "is ready to respond to requests by the Diet in disclosing information on the mortgage companies."

Hashimoto and Kubo agreed that detailed disclosures are necessary to secure public understanding of a government plan to use taxpayers' money to liquidate seven failed housing loan companies that have accumulated massive debts through bad loans, the officials said.

In a news conference prior to the meeting, Kubo said the government may encourage the mortgage firms to identify their top borrowers.

"It would be a good idea if the mortgage companies volunteer to identify their borrowers, while paying due attention to their privacy and fundamental human rights," Kubo said.

Kubo suggested, however, that if the mortgage firms refuse to divulge the names of their top borrowers on a voluntary basis, the government may identify them.

"It is my stand that (the government) should divulge what it can divulge. I will check anew whether it is difficult for the government to disclose their names," he said.

In a bid to win public support for the use of taxpayers' money to liquidate the mortgage firms, the government last Friday released information which included the locations and the sums of debts of each of the top 50 borrowers but failed to name them.

The government cited concern for respecting the privacy of corporate borrowers as a reason for not divulging the names.

Hashimoto and Kubo agreed to back a further disclosure of information on the borrowers after the previous release came under criticism.

Japan's Kubo To Promote Bad Loan Information Disclosure

OW2201085596 Tokyo KYODO in English
0827 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Finance Minister Wataru Kubo vowed Monday [22 January] to further promote disclosure of information on the bad loan issue caused by ailing housing loan companies, in order to win public support for the use of taxpayers' money in liquidating the firms.

"The government, which has recently made public information on the issue, will continue to make the utmost effort to achieve further disclosure," Kubo said in a fiscal policy speech delivered at the House of Representatives.

The housing loan fiasco is the focus of debate in the ordinary Diet session that started Monday.

At the end of December, the government decided to use 685 billion yen from the general account of its budget for fiscal 1996, which starts April, to help cover losses stemming from the liquidation of seven housing loan companies which are saddled with huge problem loans.

But this has drawn strong public criticism that the government has decided on the use of the money without fully clarifying responsibility of the parties involved.

In response, Kubo said "the introduction of taxpayers' money is necessary and unavoidable to get the Japanese economy on a path toward full recovery."

Kubo also stressed the need for the ministry to make its banking policy more transparent, fully checking measures taken in the past.

The ministry is under fire at home and abroad due to a series of financial scandals, including the ministry's slow response to the cover-up of huge losses at Daiwa Bank's New York branch.

Kubo also said the ministry may be forced to ask Japanese people to accept "some pain" through cuts in public services and other expenditures as part of efforts to improve Japan's strained fiscal conditions.

Amid growing criticism of the use of taxpayers' money for the liquidation of the troubled mortgage loan companies, the government last Friday made public 385 pages of documents, including a list of the top 50 borrowers at each of the mortgage companies.

But the names of the borrowers were not listed, only their location, type of business and the amounts of their borrowings.

Nevertheless, Kubo said, "the government will do its best to gain people's understanding by making the decision process transparent and clarifying responsibilities in the issue."

Kubo took a positive stance on the need to determine, while collecting loans made by the housing loan companies, any criminal liability incurred by those who made or received the loans.

"The government will take strict measures against illegal activities by people involved, including those who borrowed money from the mortgage companies," Kubo said.

He was referring to criticism that some borrowers have allegedly been living in luxury while failing to repay money to the housing loan companies.

Kubo also called for the early establishment of a new financial system with greater transparency.

"The ministry will overhaul its past banking policy in addition to its inspection and supervisory system, and urge financial institutions to observe the principle of self-responsibility," he said.

On the improvement of fiscal conditions, Kubo said, "the government must review its role and the scope of its spending from the medium and long-term viewpoint."

However, he added, "the government might ask the Japanese people to share the pain (of possible spending cuts) which could arise from the review."

Reflecting the large shortfall in tax revenues, the government will be forced to issue more than 21 trillion yen of government bonds to help finance the fiscal 1996 budget.

This will bring the balance of outstanding government bonds to about 241 trillion yen at the end of 1997, equivalent to about 49 percent of the nation's gross domestic product. The ratio of government bonds to overall revenues will then stand at 28 percent.

Japan's Hashimoto Gives Speech to Diet Session

OW2201083296 Tokyo KYODO in English
0815 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — The following is the full text of Prime Minister Ryutaro Hashimoto's policy speech to the Diet on Monday [22 January].

Having been designated prime minister at the previous session of the Diet, I am keenly aware of the grave responsibilities entailed in taking the helm of government at this crucial period as we enter a time of major changes at home and internationally, and I am determined to devote my every effort to the tasks of government.

At the outset, I would like once again to express my deepest condolences to the victims and the bereaved families of those who perished in the great Hanshin-Awaji earthquake, which struck Jan. 17, 1995. At the same time, let me express my heartfelt encouragement to the many people who are still struggling to put their lives back in order. The government is devoting its utmost efforts to reconstructing the areas damaged by the earthquake, and to helping those whose lives were torn asunder to recover. Furthermore, in light of the lessons that we have learned through this trial, I intend to give my all in the creation of disaster response measures.

Reform is Japan's most pressing need today. When I was first elected to the Diet back in 1963, there were only 153 people 100 or older nationwide. Today, there are more than 6,000. In the same period, the number of babies born every year has plummeted from 1.65 million to about 1.20 million. By the start of the next century, one in five Japanese will be 65 or older, and this will soon be one in four. We are clearly becoming an aged society. With this outlook and the unprecedented speed at which the Japanese society is aging, it is imperative that we overhaul those social arrangements premised upon a life span of twoscore [as received] and 10 to suit our new expected life span of fourscore. At the same time, there are also many changes that must be made, like it or not, in all aspects of Japanese society to cope with the collapse of Cold War structures, the borderless-ation [as received] of the economy, Japan's enhanced global status and other international changes.

The kind of society and state I want to achieve is one in which each and every person has his or her own

ambitions and dreams for the future, is conscious of his or her heritage and glad to be Japanese, and, together with the rest of the people of the world, generates shared global values.

The mission entrusted to me is to bring about a Japanese society replete with vigor and confidence by taking this ideal to heart and looking ahead to the next century, moving boldly forth implementing steadfast changes in politics, administration, the economy, and the society, and creating a new system appropriate to the 21st century.

I have thus enumerated this cabinet's missions as those of change and creation and, the relations of trust among our coalition's three parties now more solid than ever before, have set the cabinet's four top priorities as (I) rebuilding, a resilient Japanese economy, (II) building a society for the elderly in which people can be glad to have lived so long, (III) developing a proactive foreign policy position for the furthering of peace and prosperity, and (IV) effecting the administrative and fiscal reforms needed to make all of this possible.

Those of us at the helm of government at this period straddling two centuries have especially grave responsibilities. My political creed being that of making decisions and taking responsibility, I am determined to devote my every effort and to stake my political future on accomplishing the policy agenda outlined herein.

Rebuilding and Reforming The Economy

One of the most important issues before this cabinet is that of restoring the Japanese economy's resilience. If we are to dispel the gloom that hangs over the economy and to develop a brighter outlook for the future, it is important that we work on this task dividing the remaining five years of this century into three stages — the first stage being that of achieving a full-blooded recovery, the second that of fundamentally reforming our economic structure, and the third that of creatively laying the foundations for the economy and society in the 21st century. While the measures to be taken in these different stages will have targets one year, three years and five years hence, it goes without saying that they are all closely interrelated and must all be started promptly and promoted resolutely.

Achieving Full-Blooded Economic Recovery

Looking at economic conditions of late, the recoveries in personal consumption, and plant and capital investment have been joined by a brighter outlook for manufacturing. While the economy thus seems to be slowly extracting itself from the time-marking stage, things are still very grim for employment and for small and medium

enterprises. It is imperative that we make this year a year of economic recovery, consolidating the favorable outlook for recovery that has already started and linking it to sustained development for the Japanese economy over the longer term. Accordingly, the budget bill for the next fiscal year puts priority emphasis on improvements in such areas as research and development, telecommunications, and other infrastructure for economic and social restructuring, just as it pays special consideration to tax issues, including providing for carrying the special income tax cuts over for another year and for a comprehensive review of the land tax system. Monitoring foreign exchange rate movements, the government will work for constantly appropriate economic management.

Resolving The Bad Debt Problem

Resolving the problem posed by the financial institutions' bad debts is an indispensable prerequisite to rebuilding and restructuring the Japanese economy, and I will make every effort to resolve this issue as quickly as possible while paying maximum heed to the demands of depositor protection and sustaining the credit structure.

The so-called *jusen* problem is both a symbol of and a particularly pressing part of this bad-debt problem, and the government has, after the most careful deliberation, decided upon a very concrete course of action including the use of government funds so as to put the economy firmly back on the growth path while ensuring the Japanese financial system's stability and credibility at home and abroad as well as contributing to depositor protection. We have already provided information on the *jusen* companies' financial situation and more, and I will, while seeking the understanding and cooperation of both houses of the Diet, make every effort for the fullest possible disclosure.

At the same time, we are putting an organization in place that will be able to forcefully collect these debts by promptly and resourcefully employing all of the debt-collection means in the *jusen* resolution organization's legal arsenal under the direction of Deposit Insurance Corp. The police and the prosecutor's office are now looking into the possibility of illegalities in connection with these debts and have set up liaison committees and action teams, and we will deal strictly with everyone involved, not only the lenders and borrowers but everyone else as well. Working to ensure transparency and to identify the causes and responsibilities for this *jusen* problem, I will make every possible effort to gain popular understanding for our chosen course of action.

Likewise, we will conduct an overall review of past financial policies and the system for inspections and audits and will work to have the principle of self-responsibility unquestioningly accepted at all financial

institutions, and will also work to devise a new, high-transparency financial system in which market discipline is fully exercised.

Promoting Economic Restructuring

With the increasing speed of cross-border economic activity, the rise of the Asian economies, and other developments, the world economy has entered what might be termed an age of mega-competition and companies are choosing what countries they want to operate in. Within this, structural issues such as the disparity between Japanese and international prices and other high-cost structural elements are undermining Japan's attractiveness as a place to do business and there are increasing fears of industrial hollowing. The need to achieve a breakthrough for Japan's economic future is thus another reason why it is imperative that we move quickly to implement dramatic structural reforms in line with the new economic plan adopted last year.

The first structural reform here is that of thorough-going deregulation. Our basic approach being that of assuming economic deregulation and retaining regulations only in exceptional cases and of winnowing social regulations down to the bare minimum consistent with their original purpose, we will conduct a thorough review of the regulations to weed out any that may have become ends in their own right and any that have been perverted into citadels of protection for vested interests. As well as working to rectify the high-cost structure, we will, seeking to eliminate barriers impeding the development of new growth sectors and to promote the revitalization of the economy, move resolutely to deregulate with priority attention to land and housing, information and telecommunications, distribution and transport, finance and securities, employment and labor, and other areas that underpin consumer and corporate economic activity.

Free and fair competition in the private sector is, like deregulation, indispensable to promoting dynamic economic activity. As well as vigorously developing competition policy by strengthening and enlarging the fair trade commission secretariat for more vigorous enforcement of the antimonopoly law, we will review the regulations on stockholding and other legal restrictions on inter-corporate linkages and will work to make the labor market more amenable to entry and midcourse movement.

Creating venture corporations is also prerequisite to infusing the Japanese economy with increased vitality, and we will extend all due support to the development of such new operations, including enhanced support on the capital procurement side, so that they can take fullest advantage of their flexibility and creativity.

In seeking to reform the economy and industry, it is important that we not forget the multifaceted role that agriculture, forestry, and fisheries play and the peace of mind and sense of restfulness that such rural villages convey, and the sound development of these industries and these villages is prerequisite to our efforts. Working for the integrated implementation of the measures relating to the Uruguay Round agricultural Agreement, and more, we want to make agriculture, forestry, and fisheries attractive professions that people can pursue with pride in the years ahead.

Improving The Developmental Infrastructure For a Free And Creative Society And Economy

If we are to create a richly creative society and economy suited to the 21st century, it is imperative that we take full advantage of our people's wit and wisdom as our most valuable resource, foster the kind of people and intellectual resources needed for the future, and push back the economic frontiers.

To invest in science and technology is to invest in a future in which the shared dreams of all mankind come true. As well as working for the early attainment of the plans to double government spending on research and development, we will also promote breakthrough basic research and development through industry-academia-government cooperation, will seek to train and secure the necessary pool of scientific talent by supporting and using younger researchers and adopting policies to bring young people back to science, and will otherwise vigorously promote science and technology so as to make Japan a country whose prosperity is grounded in scientific and technological creativity.

December's accident at the monju experimental fast-breeder reactor holds great lessons for us in this connection. The development and application of cutting-edge technologies is inevitably accompanied by unexpected difficulties. The important thing is to face up to such situations, to lay the facts before the people and scientific experts, to seek out the causes and implement the most thorough safety policies, and to make a good-faith effort to develop new technologies. I intend to make every effort to win the understanding and trust of not only the local population but all of the people through continuing to work for enhanced safety and practicing proactive disclosure of all the facts.

The building of an advanced information and telecommunications society that contributes importantly to enhancing productivity and creating new industries by massively eliminating time and space constraints and transforming the flow of information and products and that creates a high standard of living and sophisticated industrial activity is another important area where we

must accelerate our efforts looking ahead to the 21st century. We will thus vigorously promote the greater use of information in business and government, the enhancement of information and telecommunications infrastructure hardware and software, and the development of advanced information and telecommunications technologies.

For a Society Where People Are Glad To Grow Old

The second priority imperative is that of creating a society in which people are glad to grow old. The Japanese average life span is today the longest in the world. This represents the attainment of a long-term goal for all of us, and it is something we can all be proud of, but the issue from here on is how society can support these old people and how we can create a society where people are glad to have grown old. In the superannuated society of the 21st century, with the middle-aged and older population growing larger and the younger population growing smaller, how well we are able to sustain and grow the nation's vitality will depend on how well we facilitate more active participation in society by women and older people, and this in turn is a question of what support society is able to provide on caring for the elderly, child-care, and other issues that have traditionally been handled in the home, how we approach and devise the costing modalities, what kind of home- alternative environment we are able to create for children, and many other critical issues, and it is imperative that we create the systems needed to deal with these issues. The clear imperative is today to conduct a comprehensive review of the welfare, education, and social participation modalities for creating an aged society in which all of the people — young and old, male and female — can lead lives of mutual help and support and shared growth while still being proactive and independent.

Looking especially at the issue of care, which is the main source of popular anxiety about growing old, we will, as well as promoting the new gold plan and the plan for the disabled and working to strengthen the bases for care service so that the elderly and the disabled can lead happy, personally rewarding lives, make every effort to create new systems of care for the aged using social insurance that provides comprehensive and integrated preventive and restorative medical care and social services.

In tandem with this, as well as reforming the medical insurance systems to provide quality medical services efficiently appropriate to the aged society, we will also make every effort on the AIDS [acquired immune deficiency syndrome] issue to achieve an early settlement through reconciliation and will do everything possible

to identify the causes and assign responsibility and otherwise to ensure that there are no more cases of medical and pharmaceutical supplies proving detrimental to people's health. Likewise, we will steadfastly promote the Angel Plan including establishing child-care leave provisions and better child-care facilities, so as to create a climate in which children, our hopes for the future, can be born and grow up in good health. In this same vein, we will, as well as reviewing domestic action plans for the creation of a gender-blind society in which men and women alike take part in sustaining the society and both are able to participate as equals in the full range of social concerns, promptly draw up an action plan for human rights education, promote integrated human rights measures, and otherwise work to create a fair and nondiscriminatory society that respects everyone's rights.

Efforts For Self-Discovery Education And a Culture-Based Society

Children with individuality and creativity, a sense a responsibility and empathy for others, and dreams for the future that they speak of animatedly are children to be treasured in Japan. Education also has an infinitely important role to play in enabling people to respond flexibly and unerringly to internationalization, the information revolution, and scientific and technological advances. We will thus promote educational reform so as to implement education that puts even greater emphasis on individuality and creativity for the 21st century and teaches people not just to solve problems they are given but to identify problems and to solve them on their own, this also being important in responding to the problem of hazing and harassment at schools and the issues raised by the Aum-related incidents in which young people unable to find their place in society turn instead to antisocial activity.

Promoting culture, the arts, and sports is also important, since these areas are not only what makes life worth living for many people but are the essential foundation of a nation's being. Looking ahead, Japan will strive to become a culture-based society which, even as it preserves its venerable cultural traditions, moves to create and develop outstanding new arts and culture and strives to convey this excellence to the rest of the world.

At Harmony With The Environment

It is imperative that we rethink our mass-production, mass-consumption, mass-disposal social and economic activity and lifestyle and consider how we can best pass the rich bounties of nature on to future generations just as they were bequeathed to us. As well as making every effort to promote comprehensive measures for the creation of a better relationship between ourselves and

our environment in line with the basic environmental plan, Japan will also actively seek to play a role commensurate with its international standing in solving the global warming and other global environmental issues.

On the minamata problem, an issue that the Murayama cabinet succeeded in finally resolving, we will promote the necessary measures in good faith and will seek to have the harsh lessons learned inform future environmental policy.

Likewise on policies for the ever-increasing amounts of waste disposal, we will, with the cooperation of consumers, producers, and local communities alike, work to implement comprehensive support measures for the creation of a recycling society that discards less and recycles more.

Strengthening Crisis Management For Civil Safety

With the major earthquake last year, the Aum-related incidents, and other violent crime, a cloud has come over the civil safety in which Japan took such pride, and it is thus important to strengthen crisis management so as to keep our society safe. It being difficult to anticipate what crises will occur when and where, people and systems are the important thing in crisis management, and we will make every effort to buttress safety measures and crisis management arrangements.

Disaster-proofing our communities and our country is fundamental to creating a society in which people can lead anxiety-free lives. Although a year has passed since the great Hanshin-Awaji earthquake, the entire government will continue to work as one for the full rebuilding of that area. Learning valuable lessons from this disastrous earthquake, the government is resolved to work not just on disaster-forecasting but also on enhancing the overall disaster response capability, including information collection, communication, and decision-making, and on strengthening the crisis management arrangements.

In addition, besides making a total government effort to counter terrorism as with strengthened international cooperation and other means in response to the grim civil safety situation of late, we will also seek to alleviate the people's safety concerns and to create a safe society as by promoting comprehensive firearms control measures, both to keep firearms out of Japan and to seize those that are here, and by making a major effort to control stimulants and other narcotics.

Another imperative for creating comfortable and relaxed living in Japan is that of promptly resolving the housing, commuting, and other issues that are most immediate

for many of the people. Rectifying the unipolarization that underlies so many of these issues, we must thus work to disaster-proof Japan and to achieve balanced development nationwide while paying all due heed to the demands of internationalization and the need to create lively communities. Accordingly, we will work to improve the social infrastructure with special attention to those aspects that impact everyday life, including housing and commuting and the structuring of communities where people can live near where they work. Exchanging views with people from all walks of life, we will move actively to draw up a new national plan including the creation of multiple axes and foci and will continue to work for Hokkaido and Okinawa's further development.

Proactive Foreign Policy For Peace And Prosperity

In the field of foreign policy, my basic stance is to take a proactive approach. Rather than continuing to take the international political and economic situation as a given, Japan should, advancing beyond the traditional concept of international contribution, take active initiatives on its own for world stability and development while postulating ideals that the rest of the international community will embrace. This is also, I am confident, the best way to ensure our own security and prosperity in today's increasingly interdependent world.

Promoting United Nations Reform

The international community still faces a myriad of serious problems, including regional conflicts, the proliferation of weapons of mass destruction, environmental degradation, and poverty. This year marks the 40th year since Japan became a member of the United Nations, and it is essential that the United Nations play a crucial role in resolving these problems. Japan thus intends to cooperate with the other member states and to continue to work on financial reform, reforms in the economic and social spheres, reform of the Security Council, and other reforms to realize as concrete results as possible by this fall. With regard to the question of permanent membership on the Security Council, Japan intends to approach this issue on the basis of the reforms achieved in the United Nations and the support of its Asian neighbors and other members of the international community as well as the further understanding of the Japanese people.

Creative Approaches To Solving Regional Conflicts And Disarmament And Nonproliferation

Threats to world peace in our post-Cold War era, regional conflicts are not only problems for the immediate regions concerned but are also global issues that could affect the international community's entire framework.

Japan will make diplomatic efforts, provide humanitarian and redevelopment assistance, and contribute actively to the activities of the United Nations peacekeeping operations by providing personnel and financial support so as to prevent and resolve such regional conflicts.

The conflict in former Yugoslavia in particular poses a test of the effectiveness of our new international cooperation. Japan will thus take an active part in the international community's efforts for peace and reconstruction so as to ensure that the major progress made in the recent comprehensive peace agreement leads to lasting peace in that region. In the Middle East, Israel and the PLO reached agreement last September on expanding interim self-government there. While the assassination of Israeli Prime Minister Rabin was a major shock to all of us, there is still a strong momentum in favor of peace. Japan is contributing actively to this peace process. In addition to providing personnel and material support for the international observation team in support of the recent Palestinian Council election, Japan is also providing a contingent of Self-Defense Forces and other personnel for the UN Disengagement Observer Force in the Golan Heights in February.

We are also working to promote disarmament and nonproliferation in nuclear weapons and other weapons of mass destruction and to restrain conventional arms transfers. As the only country ever to have experienced nuclear devastation, Japan urges all of the nuclear weapon states to make a sincere effort for nuclear disarmament toward the ultimate elimination of nuclear weapons, and the resolutions that Japan proposed on nuclear disarmament and the cessation of nuclear testing were adopted by the United Nations General Assembly last year. It is deplorable that certain countries are conducting repeated nuclear tests even today, and Japan, along with calling strongly for the cessation of all nuclear tests, will make every effort for the completion of negotiations on a comprehensive nuclear test ban treaty this spring and its signing this fall.

Ensuring security in the Asia-Pacific region including Japan is also very important for global peace. Along with adhering to the basic ideals of devoting ourselves to an exclusively defense-oriented policy under the constitution and not becoming a military power which might pose a threat to other countries, the government is determined to firmly maintain the Japan-U.S. Security arrangements, to uphold civilian control, and to adhere to the three nonnuclear principles. In line with the new national defense program outline and the new midterm defense program adopted late last year, Japan seeks to streamline its defense capability and make it more effective and compact while enhancing its functions and

making qualitative improvements so as to be able to respond effectively to a variety of contingencies.

Creating a Framework For Global Prosperity

Given Japan's standing in the international community, creating a new framework for global prosperity is especially important for us. It is essential that we work for the balanced expansion of trade and investment through further strengthening the multilateral free trading system under the WTO [World Trade Organization] for the further development of the world economy. Looking ahead to this year's first WTO ministerial meeting, we will work for the development of new rules for regional integration, for trade policy's relationship to investment, the environment, and competition policy, and for other issues and will also endeavor to strengthen the WTO's dispute settlement mechanism.

On our support for the developing countries' development, Japan has proclaimed in the United Nations and elsewhere the need to formulate a new development strategy as a new framework of cooperation for the international community, and we intend to continue to contribute to these efforts. In line with the official development assistance charter, we will promote overall economic cooperation with a comprehensive approach integrating assistance with trade and investment so as to contribute to enhancing economic dynamism in Asia and elsewhere. Similarly, the efforts to shift to market-oriented economies are of global importance. It is also important for Japan to provide assistance that is optimally attuned to each country's stage of development while paying every heed to the efforts to promote democratization and to introduce market-oriented economies in the developing countries.

Global issues such as the environment, population, hunger, human rights, refugees, and AIDS are becoming increasingly important. Japan will thus continue to make every effort in line with its world-class technologies and its own experience to build a shared recognition and framework for the entire international community. In addition, in an effort to promote environmentally harmonious economic and social development worldwide, Japan will also complement its long-standing efforts with a vigorous effort for the development and adoption of new energy resources, research and development contributing to reducing the burden on the environment, the creation of new industries, and more. Seeking the early conclusion of the United Nations Convention on the Law of the Sea providing a comprehensive legal order for the seas and oceans, we are also making the necessary preparations for bringing Japan's own laws and regulations into line with the convention.

Fully aware of Japan's role in the world economy, I am determined to make every effort to restore Japan's economic resilience and to contribute to the further revitalization of the world economy. Ensuring domestic demand-led stable growth and improving market access, we will continue to work to achieve significant reductions in our current account surplus and to forge harmonious economic relations with other countries.

Developing Friendly Bilateral Relations

Promoting Cooperative Relations in the Asia-Pacific Region

We intend to further our cooperative relations with our neighbors in the Asia-Pacific region, which is annually becoming more important both for Japan and for the world economy. Last year, Japan hosted the APEC Osaka meetings, and APEC has, with the adoption of the Osaka action agenda setting forth a comprehensive road map for the liberalization and facilitation of trade and investment and the promotion of economic and technical cooperation, moved from the vision stage to the action stage. This year will be another important year of challenge for APEC, and it is essential that Japan play a major role in promoting the region's further development by drawing up a substantial action plan that will strengthen cooperation among APEC members. Likewise in the realm of security, we will contribute to confidence-building within the region by taking an active part in the political and security dialogue in the ASEAN Regional Forum and other fora so as to maintain the peace and stability that underlie the region's development.

It is axiomatic that developing friendly and cooperative bilateral relations with other countries should be the basis of our foreign policy efforts. With relations with the United States as the foundation and paying particular attention to the Asia-Pacific nations with which we have such close geographical and economic relations, I intend to promote diplomacy achieving heart-to-heart relations among nations so that cultural and other differences do not provoke a clash but are recognized and accepted.

Reaffirming that Japan-U.S. relations are the most important bilateral relationship not only for Japan but for the world at large and that they are the cornerstone of peace and stability for the Asia-Pacific region and the world, I am determined to take the opportunity of President Clinton's visit to Japan to further strengthen Japan-U.S. cooperative relations. In particular, I intend to firmly maintain the security arrangements with the United States, which arrangements provide the political foundation for our wide-ranging cooperative relation-

ship and are indispensable to the peace and prosperity of the Asia-Pacific region.

On the question of the U.S. military facilities and areas in Okinawa, I am determined to make every effort and to proceed with the realignment, consolidation, and reduction of these facilities and areas and to achieve tangible improvements in noise, safety, training, and other issues in the recently established special action committee and other fora in harmony with the objectives of the Japan-U.S. Security Treaty so as to further enhance the bonds of trust between Japan and the United States as well as to find a solution paying maximum consideration to the sorrow and suffering of the people of Okinawa over the years.

Regarding our economic relations with the United States, I will continue to make my best efforts to manage this relationship appropriately, consistent with international rules, based upon such efforts as the steady implementation by both Japan and the United States of the measures decided upon in the recent Japan-U.S. framework talks.

On our relations with China, we will continue to support China's policies of reform and openness to contribute to the development of stable relations of friendship and cooperation while enhancing the dialogue on nuclear disarmament and other issues of interest to the international community.

Our policy toward the Korean peninsula continues to be based on friendly and cooperative relations with the Republic of Korea. On relations with North Korea, we will deal with this issue in close contact with the Republic of Korea and other countries concerned in keeping with our desire to contribute to peace and stability on the Korean peninsula. On the issue of North Korea's development of nuclear weapons, we will, together with the United States, the Republic of Korea, and other parties concerned, continue to cooperate positively in the Korean Peninsula Energy Development Organization so that the U.S.-North Korea agreed framework can be faithfully implemented.

This year marking the 40th anniversary of the Japan-Soviet joint declaration that opened the way for the resumption of diplomatic relations between the two countries, we will, watching the political situation in Russia carefully, make even greater efforts to resolve the Northern Territories issue, thereby achieving a full normalization of relations, based on the Tokyo declaration, and we very much hope the government of Russia will also make a serious effort to address this issue.

It is obvious that Japan must work to promote positive relations of cooperation not just with the Asia-Pacific region but also with all the regions of the world. Maintaining and developing wide-ranging relations of cooperation with Europe is especially important as the European Union expands and integrates to become an increasingly important player in the international community. The first Asia-Europe meeting is scheduled to be held in Thailand in March, and we intend to take that opportunity to contribute to the strengthening of dialogue and cooperation between our two regions.

Reforms for a 21st Century Administrative System

In seeking to resolve all of these domestic and international issues, it is essential that the government administration itself first achieve a major transformation of its values in line with the changing times. I believe the kind of government we need for the 21st century is one that is democratically open to the people and is able to exercise decisive leadership in times of crisis — one that is able to pay all due heed to the policies the people truly need while still giving full rein to market principles, leaving the affairs of daily life to the local governments closest to the people, and being slimly efficient. If the reforms to create such a government are not to lose sight of their purpose and are to achieve these seemingly contradictory aims, it is essential that they be promoted from the popular perspective continually asking what the aims of government are and who the reforms are for. This is the kind of administrative reform that I seek — not reform for the sake of reform but reform for the sake of addressing fundamental issues.

Harking back to our founding principles that the people are sovereign and that civil servants are the servants of all the people, it is essential that we move forward with such administrative reform fundamentally reviewing all of our administrative systems and operations in light of the changes in Japanese and the international society and listening respectfully to the voices of people from different parts of the spectrum.

Resolute Administrative Reform

The first principle of administrative reform has to be determined deregulation. Promoting planned deregulation in line with the deregulation action program, we will effect the first updating of this program by the end of this fiscal year. As well as including a vigorous package of new deregulation measures following the recent recommendations of the commission on administrative reform to the utmost and responsive to requests from Japan and overseas, this updating will also see an effort made to secure the strong leadership needed for the reforms' implementation.

In the relations between the national and local governments, we must achieve, in deed as well as in word, the overriding principle of local government that government closest to the people's lives should be the responsibility of the local officials directly elected by the people involved and that the local governments should handle these things. With the interim report of the decentralization promotion committee this March and its subsequent fleshing out, the government will move promptly to draw up a decentralization promotion program and will move resolutely to accelerate decentralization, including reducing and eliminating work local governments do at the national government's behest and other forms of government intervention, fundamentally reviewing proxy operations, enhancing local tax and other fiscal resources and strengthening local government in preparation for this transfer of authority.

Reform of the central government bureaucracy is a core element of administrative reform. We must therefore engage in serious deliberation about how our central government offices should be structured, in light of the progress made in deregulation and the reallocation of administrative functions in line with the decentralization promotion program, to prevent the abuses arising from an over-compartmentalized structure and to implement fundamental administrative reform. Likewise, we will submit amendments to the cabinet law to this session of the Diet providing for the post of adviser to the prime minister and other changes so as to strengthen the cabinet system.

It is also extremely important that we achieve transparent and efficient administration. As well as promoting studies and deliberations for the commission on administrative reform's report this year in favor of the prompt enactment of a public information disclosure law, we will also work for greater transparency in deliberative councils and other areas. Seeking to keep administration efficient and to prevent its bloating, we will promote the greater use of information technologies, including the planned phase-in of a government-wide network, and will move resolutely to reduce civil service staffing in a planned manner. It is in the same spirit that we will move on reforming special public corporations by seeking the consolidation and privatization of nine such corporations and by promoting continuing reforms including vigorous disclosure of financial and other information about all of these corporations.

Moving the capital functions is also a very important issue in terms of reforming Japanese politics, administration, business and society. With the study commission on relocating the Diet submitting its report last December, the next step is for the cabinet to make a serious

effort on this as one of its priority issues and to seek to further flesh out the commission's recommendations.

It is extremely important in implementing the appropriate administrative reforms that we deal with deregulation, decentralization, capital relocation, reform of the central bureaucracy, and other issues in an integrated manner, and I intend to work to ensure that these issues are seen as a single whole.

Fiscal Reform

Fiscal reform is an issue that must be discussed and promoted in constant tandem with administrative reform.

It is no exaggeration to say that Japanese finances are perilous indeed, given that the total national debt outstanding at the end of fiscal 1996 is forecast at 241 trillion yen and that the outlook for tax revenues is unfavorable. There is thus an urgent need to put Japanese finances back on a sound footing so that we will have the fiscal flexibility to respond to the population's rapid aging, our increasing responsibilities in the international community, and other social and economic changes and so that we will be able to allocate the necessary funds for essential policy areas. It should go without saying that national finances in reality belong to the people, with money spent to benefit the people and with everything paid for by the people. It is essential that each and every politician work, as the representative of the people, to restore fiscal discipline as quickly as possible. On taxes, constant efforts for reform are needed in keeping with the basic principles of fairness, neutrality, and simplicity so that we can have an aged yet active society. On the consumption tax rate, which is by law scheduled to go to 5 percent, we are taking a hard look at this and expect to have a decision by the law's September deadline in light of the fiscal demands for providing social security benefits and other needs and the progress made in administrative and fiscal reform.

Relations between politicians and the bureaucracy are often cited as an issue in promoting administrative reform. I do not see politics and the bureaucracy as being in conflict. Rather, I see them as cooperative, politicians exercising determined will and leadership for sweeping reforms and the bureaucracy providing the specialist expertise needed to complement this political will. Ultimately, the final responsibility for these reforms falls to us politicians as the people responsible for the government. I am very concerned about the general distrust of government and the political apathy shown in last year's upper house elections and local government elections. If we are to rectify this situation and to restore popular trust of and interest in politics, it is essential that we work untiringly to clean up politics and that we be seen

in the Diet and elsewhere to be conducting policy debate in the national and the people's interest. This is, I firmly believe, the sort of political reform that we really need, and it is only by effecting such political reform that we will be able to effect true administrative reform.

Conclusion

It is now more than 50 years since the war ended, and this year 1996 is a year of new challenges as we attempt to lay the foundations for the 21st century and to achieve a vision of the next hundred years. The coming century will probably be — and should be — a time when the ideals of freedom and responsibility take precedent over those of regulation and protection, when qualitative enhancement is seen as more important than quantitative expansion, and when the community and home take precedent over the company or other economic organization. The kind of society that we seek to achieve is, I believe, one in which each and every person can live in peace and fulfillment and all of the people can thus have confidence and pride in Japan and we can once more achieve our hopes and our dreams for the future.

Yet the actual doing will prove far harder than the describing. We cannot evade our responsibilities for either the past or the future. Reform will not be easy and may well be painful for many. Yet it is essential that we pluck up our courage and exercise creative reform of the national government, the bureaucracy, and the economic system in response to the times so that we can leave future generations a Japan of hope and pride.

As both prime minister responsible for the government at this crucial time of reform and personally as a politician, I am determined to make every possible effort on all of these issues.

In this, I ask sincerely for the understanding and cooperation of the people and my fellow members of the Diet.

Japan's Hashimoto Views Creation, Reform in Policy Speech

OW2201080596 Tokyo KYODO in English
0641 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — Prime Minister Ryutaro Hashimoto pledged Monday [22 January] to carry out drastic political, administrative, economic and social reform to create a "new system" for Japan as it approaches the 21st century, in his first policy speech at the outset of the 150-day regular Diet session.

"I make 'reform' and 'creation' this cabinet's mission, and take four issues — restoration of the strong Japanese

economy, the construction of a society where people live long and think it good to do so, implementation of an independent diplomacy for the creation of peace and prosperity, and the promotion of administrative and financial reform needed to achieve these goals — as this cabinet's top priorities to be taken under the still- stronger trustful relationship among the three-party coalition," he said.

The 58-year-old prime minister promised to stake his political fate on his efforts to achieve those goals, with "decision and responsibility" as his political motto.

He particularly pointed out that the most urgent task is to restore the strong Japanese economy, proposing a three-stage blueprint as the 21st century approaches — full-fledged economic recovery a year from now, thorough economic structural reform in three years, and the laying of the foundation of a creative economy in five years.

To get the economy back on track this year, the government's 75.1 trillion yen budget proposal for fiscal 1996, beginning April 1, puts stress on research and development and information communications, and includes the continuation of a 2 trillion yen special reduction of income and residential taxes and full review of the land tax system, he said.

His three-party administration will continue without pause to take appropriate measures for economic recovery, Hashimoto said. The regular Diet session will primarily discuss the budget plan.

Hashimoto urged public support for the controversial government scheme to use 585 billion yen of taxpayers' money under the fiscal 1996 budget to liquidate seven troubled housing loan companies, saying the measure is needed to make Japan's financial system a stable one enjoying domestic and overseas confidence.

He vowed to make all-out efforts to disclose information related to the mortgage companies' de facto bankruptcy, use strong measures to collect loans at the firms, clarify responsibilities of the administration and other parties involved, and expedite the building up of a new and transparent financial system.

The premier also pledged deregulation, free and fair business competition, the fostering of venture companies and assistance in the agricultural, forestry and fisheries industries. The government will enforce the current deregulation program by the end of March, he said.

Turning to diplomacy, Hashimoto said Japan should act "on its own initiative" for world stability and development as well for Japan's safety and prosperity.

The prime minister showed a careful stance on whether Japan seeks permanent membership in the UN Security Council, stating that Japan will deal with the issue based on the development of the UN Reform drive, support from Asian neighbors and understanding among the Japanese public. He vowed to continue contributing to UN Peacekeeping activities.

Hashimoto expressed "regret" over continued nuclear testing by "some countries," a reference to China and France, and promised efforts toward the signing of a comprehensive test ban treaty this spring.

Japan will never become a military superpower but will limit itself to self-defense under the peaceful constitution, the prime minister said.

It will also continue to cooperate in promoting free trade under the world trade organization and financially support developing countries.

Hashimoto said Tokyo will promote relations with its Asia-Pacific partners and actively join in security dialogue in the region.

The bilateral relations with the United States, he said, are the "most important" for Japan and the whole world, and their security arrangements are playing an indispensable role for peace and prosperity in the Pacific rim area.

The premier said he will further strengthen a "broad range of cooperation" when U.S. President Bill Clinton visits Japan in April.

He promised "sincere efforts" for the adjustment, merger and reduction of U.S. bases in the southernmost Japanese prefecture of Okinawa, where antimilitary sentiment has arisen since the rape of a 12-year-old schoolgirl there in September, for which three U.S. servicemen are on trial.

Decentralization, full restoration of the areas in western Japan hit by the devastating great Hanshin earthquake on Jan. 17, 1995, and reinforcement of the government capability to deal with emergencies were also among Hashimoto's pledges.

Hashimoto, president of the Liberal Democratic Party (LDP), the dominant party in the ruling coalition, assumed the premiership Jan. 11, succeeding Tomiichi Murayama, chairman of the coalition partner Social Democratic Party (SDP). The LDP and the SDP form Japan's ruling coalition with New Party Sakigake [Harbinger].

'Highlights' of Japan's Hashimoto's Policy Speech

OW2201112696 Tokyo KYODO in English
0929 GMT 22 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 22 KYODO — The following are the highlights of a policy speech given Monday [22 January] by Prime Minister Ryutaro Hashimoto in the Diet at the start of the 150-day ordinary session.

— The missions of this cabinet are change and creation. My political creed is to make decisions and take responsibility.

— The cabinet's top four priorities are rebuilding a strong Japanese economy, building a society where people are glad to grow old, developing a proactive foreign policy, and promoting administrative and fiscal reforms. I am determined to stake my political future on accomplishing this policy agenda.

— Resolving problems posed by financial institutions' bad debts, including the housing mortgage companies' problem, is indispensable for rebuilding and restructuring the Japanese economy.

— Maintaining Japan-U.S. security arrangements, the cabinet will promote the realignment, consolidation and reduction of the U.S. military facilities in Okinawa.

— The cabinet will carry out reform of the Japanese economic system by promoting deregulation.

— Japan will approach the question of permanent membership on the UN Security Council on the basis of the reforms achieved in the United Nations and the support of its Asian neighbors and other members of the international community as well as the understanding of the Japanese people.

— The cabinet will practice disclosure of all the facts concerning the accident at the Monju fast-breeder reactor and enhancing its safety.

Japanese Commentator Views New Administration

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[Article by International Consultant Yukio Okamoto: "Prime Minister Hashimoto Should Reconstruct Diplomatic Relations"]

[FBIS Translated Text] Symptoms Slowly Developing All Over the Body

Since the general election in July 1993, politicians have passed the post of the prime minister around among the leaders of the Japan New Party, the Japan Renewal Party, and the Social Democratic Party of Japan [SDPJ].

Now it has gone to the Liberal Democratic Party [LDP]. But should it not be the voters who make the most important decision of which party leader has the political beliefs and ideals befitting the nation's supreme commander? It is very strange to watch different parties take turns wielding political power without elections.

Although such a serious problem still concerns me, the creation of the Hashimoto administration is considered progress. Establishing the leader of an unpopular party as the prime minister, the LDP has evaded the responsibilities of the leading ruling party by exploiting him as a shield. Under the new administration, the LDP is no longer allowed to do this.

The tasks facing the new prime minister are issues related to domestic economy and diplomacy. The prime minister must be particularly careful in dealing with diplomatic issues. Because, unlike domestic policies in which the government's negligence and fumbling invariably cause immediate problems in the people's livelihood, we cannot directly see the negative impacts of poor diplomacy. This is what scares me most.

When it comes to domestic affairs, necessary steps will be taken to solve problems whether you like it or not. For example, the government recently decided to impose tax burdens on the public to bail out troubled housing loan companies. Otherwise, it will spell the collapse of the nation's financial system. On the contrary, under the United States' protection, the government did not need to fulfill its diplomatic duties in the areas of international contributions and market opening.

A disease caused by such negligence is now slowly developing all over the nation. Consequently, the situation surrounding Japan in the international community is much worse than we actually think.

Does Japan Have a Long-Time Friend?

The worst problem is that Japan has no friends any more. It has not restored its relations with the United States. Its ties with China and South Korea are worse than ever. Although it cannot be helped, Russo-Japanese relations still remain distant. Nuclear testing set Japan at odds with France. An increasing number of people in Southeast Asian countries, which have been on friendly terms with Japan, are taking a harsh view of Japan and turning their backs on us. Every country has a longtime friend. But does Japan have one? The answer to this question is terrifying.

First of all, the government should mend Japan-U.S. relations. The current bilateral relations remind me of those of the Suzuki administration. Back then, Japan's cowardly, distorted interpretation of the bilateral alliance shook its relations with the United States. Plus,

its increasing trade surplus with the United States — over 10 billion dollars — caused a decline in relations to the extent that we had never seen before.

It was the Nakasone administration which changed this negative trend and brought about a honeymoon period between Tokyo and Washington in the 1980's by providing Japan's weapon technologies to the United States. The administration solved a prolonged issue by correcting a discrepancy — the situation in which the United States was not allowed to obtain Japan's weapon-related technologies while shouldering responsibilities to protect Japan at its own cost. At that time any country trying to acquire weapons technology from Japan was considered a hostile country. What was needed was a single political decision by the prime minister. The government did not even need to review the law. After that, Japan-U.S. relations got on the right track. It simply indicates that the basic direction of Japan-U.S. relations are set by the two countries' handling of the security framework, but not by the economic thread, which can easily change with economic fluctuations.

In this sense, it is important for the government to solve the Okinawa problem and to reevaluate the bilateral security framework. These are matters of urgency. We must first consider what will happen if the same type of crime is committed before the government reaches a conclusion over Okinawan's protest movement following the rape of a 12-year-old girl by U.S. servicemen. Next time, the government will never be able to contain anti-U.S. base sentiments. Second, we must pay attention to the military situation in east Asia as it is becoming more volatile than it was in the 1980's.

There are disquieting moves in North Korea. Sino-Taiwanese tensions will possibly rise due to Taiwan's presidential election scheduled in March. In each case, the key to regional stability is Japan-U.S. cooperation under bilateral security arrangements. Without a clear policy on the Okinawa problem, the security framework will never function effectively.

Prime Minister Hashimoto should start his administration by tackling tasks Prime Minister Tomiichi Murayama could not accomplish — that is, to communicate the significance of the bilateral security framework to the public. If the public is subjected to the sensational debate without knowing what the prime minister thinks, except for his perfunctory replies at the Diet session, it cannot be helped if they reach a conclusion that Japan-U.S. relations are no longer needed. In this context, how much U.S. sincerity can be expected in the base-reduction discussion? This might sound con-

tradictory, but the government must first reconfirm the necessity of the Japan-U.S. alliance before the Japanese public, and then take specific action to solve the Okinawa problem.

Fortunately, bilateral trade friction has passed a critical point with a decrease in Japan's trade surplus. Although there are still problems that could provoke friction, such as the extension of the semiconductor accord, I would say the worst period is over. Should Japan handle its ties with the United States while acknowledging its role in the bilateral alliance, it will gradually heal our relations with this nation.

Obtain Confidence as a Nation

Improving relations with east Asian countries — South Korea and China in particular — is another imperative for the new administration, but there is no immediate remedy. The only way is to make honest efforts to obtain the international community's confidence in Japan as a nation. Regarding Japan's wartime responsibility, the government must consistently follow in the footsteps of the former administration. Japan did not launch much of a protest when China conducted its 42d nuclear test. However, it suddenly stopped providing humanitarian grants-in-aid to this communist state as a protest against the 43d test. A nation loses international confidence when it loses its political sense of direction.

Japanese 'Rightist' Crashes Vehicle Into Diet Building

*OW2101063896 Tokyo KYODO in English
0626 GMT 21 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 21 KYODO — A vehicle with the name of a rightist group painted on its body was driven into the main entrance of the Diet building in central Tokyo Sunday afternoon (21 January), where it burst into flames, police said.

The fire quickly went out and police detained the driver, who told them he is affiliated with a rightist group.

Nobody was injured by the incident, which came on the eve of the opening of the ordinary Diet session.

Rightist groups have been stepping up their campaign in Tokyo against the government's scheme to use taxpayers' money to liquidate failed housing loan companies.

North Korea

'Secret Documents' on U.N. Forces in ROK Made Public

*SK1901101396 Pyongyang KCNA in English
0842 GMT 19 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 19 (KCNA) — Secret documents proving that the then "U.N. forces" command stationed in South Korea allowed the South Korean puppet army to put down the April 19, 1960, uprising, were recently opened to the public in South Korea, according to a radio report from Seoul.

It is said in a document that the then puppet defence minister requested the "U.N. forces" command to call out one division of the puppet army under its operational control in a bid to repress the uprising of the patriotic people, youth and students against the then "president" Syngman Rhee puppet clique and the command permitted it.

Another document records fact that the United States gave instructions to pay attention to very bad international opinions on the bloody suppression of the people by the puppet authorities.

The other document says that former U.S. President Johnson urged the traitor Pak Chong-hui to promptly conclude the "talks for normalizing diplomatic relations" with Japan.

DPRK-U.S. Talks on GI Remains Reported

*SK2001053596 Pyongyang KCNA in English
0500 GMT 20 Jan 96*

["Spokesman of DPRK Foreign Ministry on DPRK-U.S. Talks on GIs Remains" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — The spokesman for the Foreign Ministry of the Democratic People's Republic of Korea gave answers to questions put by KCNA today on the DPRK-U.S. talks on the GIs' remains which were held in Hawaii some time ago.

He told KCNA:

DPRK-U.S. talks on the remains of GIs were held in Hawaii at the proposal of the U.S. from January 11 to 14.

Both sides had deep discussions on a series of matters of common concern, including the matter concerning the remains of GIs.

As for the matter of the remains of GIs, the main agenda item of the talks, a complete agreement could not be

reached owing to the unreasonable stand of the U.S. side.

As already known, there are hostile relations, belligerent relations between the DPRK and the U.S. Proceeding from a noble sense of humanitarianism, the DPRK has made sincere efforts to survey, unearth, discern and deliver the remains of GIs to the U.S. side.

The U.S. side should have been grateful for this and made a compensation at the talks, out of courtesy, for the labour, materials, equipment and facilities made by the DPRK for the unearthing of the remains of GIs.

The U.S. side, however, was indifferent to the humanitarian sincerity of the DPRK. While trying to realise a political aim, the U.S. side did not make clear its stand to make a due compensation for the remains delivered already.

The untrustworthy act of the U.S. side led the talks to a rupture in the long run.

The members of the DPRK technical group, who are called out for the unearthing of the remains of GIs, are utterly disappointed at the attitude taken by the U.S. side in the recent talks. As a result, we have to dissolve the group itself, and measures will soon be adopted in this regard.

The solution to the problem of the remains of GIs depends entirely on whether or not the U.S. side is sincere.

We will watch the future attitude of the U.S.

DPRK Deplores Joint U.S.-ROK Naval Exercises

*SK2001101796 Pyongyang KCNA in English
0925 GMT 20 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — The United States reportedly plans to send submarines, a destroyer and other kinds of warships belonging to the U.S. Seventh Fleet to South Korea and stage a joint anti-submarine drill with the South Korean puppets from January 20 to 29.

It has also been said that the U.S. will stage a large-scale joint naval exercise in South Korea for five days beginning February 13.

Several days ago, the U.S. sent a nuclear-powered submarine to South Korea and carried out a provocative military drill on the sea with the puppets. The U.S. ceaseless military manoeuvres indicate that its belligerent moves against the North of Korea have reached a very dangerous stage.

We take a serious view of the U.S. war moves, which have become more frantic in the Korean peninsula from the beginning of the new year.

In the Korean peninsula, the Armed Forces of the North and the South stand face to face with each other. Under this situation, nobody can vouch that any exercise will not develop into an accidental military action.

Now the framework agreement between the Democratic People's Republic of Korea and the U.S. has entered the stage of implementation.

At this time, the U.S. has openly staged military exercises which may drive the situation of the peninsula to a very grave phase. We take it very seriously.

The projected exercises in the air and on the ground and sea — B-1 and B-52 bombing drills aimed at the execution of the strategy for forestalling nuclear strike, South Korea-U.S. joint exercise allegedly to "cope with contingency" in the Korean peninsula and a large-scale South Korea-U.S. naval exercise — show that the U.S. is seeking to execute its military strategy for showdown of strength in the peninsula through the manoeuvres.

Showdown of strength will only render the situation more acute and further deteriorate DPRK-U.S. relations.

The U.S. must ponder over possible consequences of the manoeuvres.

If tension runs higher in the peninsula, it will bring nothing to the U.S., either.

DPRK Commentary Critical of U.S.-ROK Military Exercises

*SK2201054496 Pyongyang KCNA in English
0519 GMT 22 Jan 96*

["Dangerous Military Action Against DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA) — NODONG SINMUN today comments on the military action of the United States and the South Korean puppets aimed at invading the DPRK.

They began a large-scale joint anti-submarine drill against the DPRK on the West Sea of Korea on January 20. Included in the drill are two submarines and nine surface ships such as destroyers belonging to the U.S. Seventh Fleet as well as four anti-submarine patrol planes.

They plan to stage a large-scale joint naval exercise from February 13.

The news analyst says:

They hold military exercises against the DPRK from the beginning of the year, motivated by their criminal intention to stifle the DPRK by force of arms.

As the DPRK-U.S. framework agreement is being implemented, there is no ground to raise the "nuclear issue" they used as a pretext for the anti-DPRK campaign. Under this situation, the bellicose U.S. military are spreading the rumour of "threat from North Korea" again, reinforcing their Armed Forces and holding frantic military exercises. This is aggravating the tensions on the Korean Peninsula extremely.

"Threat from North Korea" and "possibility of military provocation" about which the U.S. military and the South Korean puppets talk a great deal are a sophism to conceal their bellicose nature and, in other words, an argument for war against the DPRK.

The bellicose Kim Yong-sam group must act with discretion, mindful of the fact that their frantic joint war maneuvers with outside forces against the North will bring them nothing but final destruction.

We declare once again that if the bellicose U.S. military and the South Korean puppets unleash a war against the DPRK despite our repeated warnings, we will severely punish them a thousandfold.

DPRK Commentary Assails U.S. Military Maneuvers

*SK2201115596 Pyongyang Korean Central Broadcasting Network in Korean
0855 GMT 22 Jan 96*

[Commentary from 22 January edition of NODONG SINMUN: "To Become a Ruler in Asia"]

[FBIS Translated Text] The United States is raving about the so-called threat from North Korea and the threat from China; is building up its arms and conducting war exercises on the Korean peninsula and the surrounding areas; and is increasing the formation of a triangular military alliance between the United States, Japan, and South Korea.

As has been reported, under the pretext of someone's threat, the United States has announced plans to deploy in South Korea an additional 3,000 U.S. Army troops, a brigade-strength unit, and is pushing ahead with the plan. At the same time, the United States is planning to bring B-52 and B-1 strategic nuclear bombers to South Korea next month to conduct a nuclear war exercise.

The United States is also planning to conduct the Keen Edge-96 joint military exercise in Japan along with the mobilization of such huge armed forces as the Japanese Self-Defense Forces and the U.S. commands of the three

services in Japan, the U.S. 3rd Marine Expeditionary Force based in Okinawa, and the U.S. Army 1st Corps on the mainland. Moves for a military conspiracy and collusion between Japan and South Korea, and between the United States and South Korea, are no longer disguised.

Such military moves by the United States reveal that although the United States pays lip service to peace and detente on the Korean peninsula and the surrounding areas, it invariably seeks its design to crush the DPRK.

The United States does not want peace and detente on the Korean peninsula. The belligerent circles in the United States have never abandoned their wild ambition to crush the DPRK. Thus, the United States is staging a commotion regarding the nuclear threat, contrary to its promise when it signed the agreement on providing light-water reactors, which was based on the DPRK-U.S. framework agreement, and despite the working project being in progress.

The United States is raving about the fictitious threat from North Korea to justify its anti-DPRK military maneuvers.

All military threats on the Korean peninsula and the surrounding areas come from the military presence of the United States. To dominate the world by force [segyerul himuro chepaehae poryonungosun] is an invariable ambition of the United States.

The United States is trying to realize world domination by force [hime uihan segye chibaerul sirhyon haryohagoitta], availing itself of the collapse of the equilibrium of forces in the international arena following the end of the Cold War. Its main target is East Asia.

The U.S. East Asian strategy that comes from these strategic interests. Thus, the United States schemes to permanently station in the area its forces of 100,000 under the pretext of preventing threats and expansion from China and its surrounding countries.

In a nutshell, the United States plans to control [chwirak pyorak haryohago itta] other nations as the sole dominator [yuil chibaeja] in this area. All U.S. military moves serve to realize this ambition.

U.S. attempts to monopolize military domination in Asia cannot be concealed nor achieved under any circumstances. The more the United States tries to crush our Republic by force, the more will the true colors of the United States as an aggressor and the enemy of peace be revealed; it will only arouse anti-U.S. sentiment among the peace-loving people of the world.

If the United States moves for genuine peace and detente on the Korean peninsula and the surrounding areas, it would be in the interest of the United States.

DPRK Commentary Denounces U.S. Military Moves

SK2201054296 Pyongyang KCNA in English
0514 GMT 22 Jan 96

["NODONG SINMUN Hits Out at U.S. Scheme To Dominate Asia" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA) — The United States is now hell bent on arms buildup, war exercises and the formation of the triangular military alliance of the United States, Japan and South Korea in and around the Korean peninsula, clamouring about "threats from North Korea" and "threats from China."

Commenting on this, a news analyst of NODONG SINMUN today says:

The U.S. moves reveal its intention to dominate Asia.

The United States announced that it would additionally deploy its A-brigade-scale forces in South Korea allegedly to cope with "threats from the North" and is now pushing ahead with this plan. It plans to stage a nuclear war exercise involving nuclear strategical bombers B-52 and B-1 in South Korea next month. In addition, it intends to stage the "Keen Edge-96" joint military drills in Japan with the mobilisation of such huge Armed Forces as the Japanese "Self-Defence Forces," the U.S. commands of the three services in Japan, the U.S. 3rd marine expedition force based in Okinawa and the 1st corps of the U.S. Army in the mainland. Moves for military conspiracy and collusion between Japan and South Korea and between the United States and South Korea are becoming undisguised.

Such military moves of the United States reveal that although the United States is paying lip service to peace and detente in the Korean peninsula and its surrounding areas, it is invariably seeking its design to stifle the Democratic People's Republic of Korea and is trying to dominate Asia.

The United States is trying to realise its dream of domination over the world by force of strength, availing itself of the collapse of the equilibrium of the forces in the international arena after the end of the Cold War. Its main target is East Asia. To this end, the U.S. schemes to station its forces 100,000 strong in the area permanently under the pretext of preventing "threats" from China and its surrounding countries and their expansion.

In a nutshell, the United States plans to control other nations as a sole dominator in this area.

The U.S. attempts to monopolize the military domination in Asia cannot be concealed nor be realised under any circumstances.

DPRK Warns ROK Against 'Military Provocations'

SK2101060596 Pyongyang KCNA in English
0552 GMT 21 Jan 96

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA) — The South Korean puppets continued committing military provocations against the northern half of Korea in the Demilitarized Zone, military sources said.

The puppet army soldiers made their way into the DMZ on Jan. 18 and 19, kicking up war hysterics.

Soldiers of the puppet army in the DMZ on Jan. 19 took a combat position and threatened the safety of civil policemen of the North side on a routine duty, levelling a 90 mm recoilless gun and a 12.7 mm machine gun at them. That day, the puppets brought more than 20 military vehicles fully loaded with soldiers and war equipment into the DMZ.

On the 18th, about twenty officers of the puppet army put heads together over operation and made topographic reconnaissance against the North in the DMZ, and more than 40 soldiers of the puppet army continued staging an exercise for taking combat positions.

If the Kim Yong-sam group resort to war manoeuvres driving the situation of the Korean Peninsula to a dangerous phase, in defiance of our repeated warnings, they will have to pay dearly for this.

DPRK Denounces Planned U.S.-ROK Military Exercises

SK2001061496 Pyongyang KCNA in English
0438 GMT 20 Jan 96

["Dangerous War Exercises Against DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — The U.S. imperialist warmaniacs on Jan. 18 staged a long-distance bombing exercise by scores of carrier-borne planes in the sky above South Korea to examine the readiness of flying corps of the U.S. Pacific Fleet for urgent sorties and the capacity of surprise strike at major objects of the Democratic People's Republic of Korea, military sources said.

The United States and the South Korean puppets are planning to stage a South Korea-U.S. combined anti-submarine exercise from Jan. 20 to 29 and a large joint

naval exercise for five days from February 13 in the sea off South Korea.

The frequent, dangerous military moves of the United States and the South Korean puppets prove that they continue leading the situation of the Korean peninsula to a phase of crisis.

ROK Plans To Hold Military Exercise

*SK2201052896 Pyongyang KCNA in English
0453 GMT 22 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA) — The South Korean puppets announced that they will hold a military exercise for two days from Monday in an atmosphere of a real war, participated in by units under the "Capital Defence Command" of the puppet army, a Seoul-based radio said.

They conducted war exercises of that kind two times in December last year.

Such war exercises, which have been conducted allegedly to cope with the "threat from the North", are aimed at allaying public protest against the slush fund scandal.

ROK Criticized for Attitude Toward DPRK

*SK2201060596 Pyongyang KCNA in English
0534 GMT 22 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA) — The South Korean puppets have persistently spread the rumor about "the North's military threat," claiming that it is necessary to strengthen "international cooperation system" because of the possibility that the North "may invade the South to bridge over its crisis."

This lays bare their heinous anti-national act to debase the dignity of the North, prevent other countries from improving relations with it and revive the collapsed "cooperation system."

On January 9, the traitor Kim Yong-sam declared it as a "policy" to establish "cooperation system" with the United States, Japan and other countries. He also let his servants ask Western countries to refrain from having relations with the North of Korea over the head of South Korea.

The puppets, in a bid to give authenticity to their plot, are clamouring about the "crisis of the North by floods last year."

The North has suffered a heavy economic loss in last year's unprecedented natural disaster. The people of the North, however, are steadfastly defending the socialist system, united closer in one mind around the Workers'

Party of Korea [WPK] and the leader, deeply aware of the WPK's benevolent politics through the rescue work.

Many countries have rendered humanitarian assistance to the North of Korea as a token of sympathy, deepening friendship.

But the South Korean puppets are loudmouthed about "the North's military threat and crisis" in the hope of keeping an increasing number of countries from improving relations with the North.

In the past they tried in every way to isolate the North, claiming that the North should "pursue opening to the world" and "strengthen relations with the international community."

With the international prestige of the North ever mounting and those countries which had been hostile to the North hoping for the improvement of bilateral relations with the North, they are now talking about "the North's military threat and crisis."

It is a matter pertaining to the sovereignty of an independent state whether it improves relations with other countries or not.

It is really ridiculous of the Kim Yong-sam group of colonial puppets to poke their nose into internal affairs of sovereign states.

ROK Charged With Trying To Block DPRK-Japan Ties

*SK2101080496 Pyongyang KCNA in English
0605 GMT 21 Jan 96*

["Wicked Mind" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA) — The South Korean puppets are maliciously trying to put a brake on the wheel of the talks between the Democratic People's Republic of Korea and Japan.

Branding this as an unpardonable treacherous, flunkeyist and anti-DPRK act to block the improvement of the DPRK-Japan relations at any cost, a news analyst of MINJU CHOSON today says:

Obtrusively enough, the South Korean puppets are these days declaring that Japan must not hasten the improvement of the DPRK-Japan relations, alleging that it would be "obstructive to reunification" that Japan develops its relations with the North ahead of South Korea.

It is preposterous and disgusting for the South Korean puppets to continue to make uncalled-for remarks to obstruct the improvement of the DPRK-Japan relations.

Such ill-natured and disgusting act of the Kim Yong-sam group is a vicious challenge to the aspirations of the Korean people and the Japanese people and the demands of the times.

What the Kim Yong-sam group seeks in its schemings to block the improvement of the DPRK-Japan relations is to prolong the remainder of its dirty days by involving Japan in the anti-DPRK racket, aggravating the North-South confrontation and keeping the country divided for an indefinite period.

However, it is a very foolish thing.

The South Korean puppets must look straight at the reality and immediately stop the anti-national, flunkeyist moves going against the trend of the times.

DPRK Commentary Demands Stop to 'Fascist Suppression'

*SK2101071396 Pyongyang KCNA in English
0601 GMT 21 Jan 96*

["Fascist Suppression of Ideology in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA) — The Kim Yong-sam fascist clique of South Korea recently inflicted prison terms on several students including Chong Chae-yol, a fourth-year student of the economics faculty of Chungnam National University, who had been detained and prosecuted on the charge of the violation of the notorious "National Security Law." They were said to have been active in the movement for independence, democracy and reunification with the *chuche* idea as the guiding idea.

In this regard NODONG SINMUN today says it is a high-handed act and unpardonable suppression of ideology which can be perpetrated only by heinous dictators who consider fascist suppression almighty.

In a commentary the paper says it is very natural that South Korean students, who are susceptible to the new and have a strong sense of justice, follow the great *chuche* idea indicating a way of shaping their destiny and conduct the movement for independence, democracy and reunification with it as the guiding idea. So, their movement is not what should be suppressed, the paper says, and continues:

The prison terms the puppets imposed on the patriotic students, who had been detained and prosecuted last year, at the beginning of the new year is the curtain-raiser to the "scorched-earth operation" against the pro-reunification democratic forces.

The Kim Yong-sam clique of traitors must clearly see the trend of the time, stop the fascist suppression of

the people and immediately release the illegally arrested patriotic students, urges the paper.

DPRK Committee Condemns ROK Suppression of Dissidents

*SK2001050496 Pyongyang KCNA in English
0345 GMT 20 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland (CPRF) denounced the Kim Yong-sam group for officially prosecuting and harshly suppressing Chairman Kang Hui-nam and eight other members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) on charge of the violation of the "National Security Law" and called for immediate release of the pro-reunification patriots.

The Information No. 702 dated January 19 said that the Kim Yong-sam fascist clique were not only calling in question the demand of members of the South side headquarters of Pomminnyon for the withdrawal of the U.S. forces, the abolition of the "National Security Law" and reunification through confederacy, but also charging them with "spies" for the reason that they formed the headquarters in South Korea and had relations with the North side headquarters through the joint secretariat of Pomminnyon and fax.

The South side headquarters of Pomminnyon voluntarily conducted activities to suit the characteristics of its work, not by someone's "order" or "demand", the information noted, and continued:

Although the Kim Young-sam group are leaving no stone unturned to avoid the present ruling crisis by raising a whirlwind of suppression of the pro-reunification patriots and diverting the attention elsewhere, it is a last-ditch effort.

The Kim Young-sam group must stop at once the fascist repressive moves against members of the South side headquarters of Pomminnyon and immediately release all the illegally arrested pro-reunification patriots.

DPRK Commentary on ROK Kim Yong-sam Clan 'Corruption'

*SK1901104396 Pyongyang KCNA in English
0845 GMT 19 Jan 96*

["Thief Kingpin Should Be Removed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 19 (KCNA) — A cousin by the traitor Kim Yong-sam's father's younger sister received a huge amount of

"gratuity" from businesses, which has been brought to light recently. This is one more proof of his clan's excessive illicit money-hoarding.

MINJU CHOSON says this in a commentary today.

His clan's excessive scandals are attributable to his corruption and irregularities, the analyst says, and goes on:

The above-mentioned fact reminds the people of a saying that muddy spring will have muddy streams. As the traitor Kim Yong-sam engages himself in scandals and theft, his family, relatives and those close to the traitor do as the traitor does.

With the traitor Kim Yong-sam, a root-cause of corruption and irregularities and all social vices, left intact South Korea cannot get rid of corruption and irregularities any time nor can the people emerge from disasters, sufferings and misfortune. It is necessary to remove the root-cause as soon as possible.

The South Korean people will certainly take to court the traitor Kim Yong-sam, the chieftain of corruption and irregularities of South Korean society and special-class thief kingpin.

DPRK Analyst Condemns Scandals in Kim Yong-sam 'Clan'

*SK2001052796 Pyongyang KCNA in English
0348 GMT 20 Jan 96*

[**"NODONG SINMUN on Kim Yong-sam Clan's Corruption and Irregularities"** — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — It has recently been revealed that Yi Son-chu, a daughter of the traitor Kim Yong-sam's aunt, received 56 million won from businesses on five occasions from May 1994 to October 1995 in the capacity of a relative of the "president".

NODONG SINMUN in a signed commentary today says that the traitor Kim Yong-sam, the kingpin of thieves, and his clan are all involved in scandals.

The analyst further says:

The traitor Kim Yong-sam is still trying to cover up his corruption and irregularities by talking about "uprightness". This is the height of impudence.

No matter how desperately Kim Yong-sam may try to conceal his crimes, he cannot cover up his true colors as a thief.

The traitor Kim Yong-sam is seeking to turn the forthcoming "elections" in his favour with money and violence to bridge over the ruling crisis and remain in

power. The South Korean people, however, will foil the puppet traitor's evil scheme.

DPRK Article Stresses Achievement of Korean Reunification

*SK2101063996 Pyongyang KCNA in English
0557 GMT 21 Jan 96*

[**"NODONG SINMUN Calls for All-Out Effort To Realise Reunification Programme"** — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA) — The historical cause of national reunification is sure to be achieved when the entire fellow countrymen are closely united, under the leadership of the Great Leader Comrade Kim Chong-il, and implement to the letter the most reasonable reunification programme common to the nation, true to the behests on reunification of the Great Leader Comrade Kim Il-song, the eternal sun of the nation.

NODONG SINMUN stresses this in an article today.

Korea's reunification should be realized on the principles of independence, peaceful reunification and great national unity, in any case, and through the foundation of the Democratic Confederal Republic of Koryo, which is the way of reunification by means of confederation based on one nation, one state, two systems and two governments, the paper says, and goes on:

The separatists within and without are now making desperate efforts to keep our nation divided forever. Under this grim situation, it is a very vital problem decisive of the destiny of national reunification and existence of the nation to hold fast to and hold higher the reunification programme common to the nation, the banner of genuine patriotism.

The whole nation should smash, with the strategy of unity and reunification, the ever-growing anti-DPRK confrontation, division and war maneuverings by the puppet Kim Yong-sam clique and hold fast to and implement the reunification programme.

The entire fellow countrymen in the North, South and overseas should, in firm unity, wage the nationwide struggle to overthrow the Kim Yong-sam group, the cancer standing in the way of national reunification.

The fellow countrymen from all walks of life in the North, South and overseas should turn out as one in the grand march for realizing the common reunification programme and open a new epochal phase for the reunification of the country this year, a meaningful year.

Literature Praising Kim Il-song, Son Found in ROK

SK2101075696 *Pyongyang KCNA in English*
0550 GMT 21 Jan 96

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA) — Copies of literature praising the great leader President Kim Il-song and the great leader Comrade Kim Chong-il were scattered in Kimhae, Chinju, Changwon and other parts of South Korea at dawn January 1, according to Radio Voice of National Salvation from Seoul quoting information of the South Kyongsang provincial committee of the National Democratic Front of South Korea.

Printed on the front of the literature in the name of the Society of the Sun are the letters "Respected President Kim Il-song is the eternal leader of our nation! We pray for immortality of President Kim Il-song." Under the title "Immortality, Kim Il-song" against the background of Kumsusan Memorial Palace where the president is laid in state. Seen on the back are the letters "The great leader Kim Chong-il is the lodestar of national reunification and the destiny of our nation. Let us follow and uphold the great leader Kim Chong-il! January 1, 1996. The society of the sun." Under the title "Longevity to Kim Chong-il", with "The year 1996" described in the rising sun against the background of the old home of Comrade Kim Chong-il in the secret camp of Mt. Paektu and Chong-il peak, which means the hopeful new year starts from the camp. Copies of literature expressing reverence for Comrade Kim Chong-il were scattered at different units of the puppet army near the Military Demarcation Line at the dawn of December 24, 1995, the Seoul-based radio Voice of National Salvation said.

Written on the front of the literature were the letters "No one on earth can match the Korean People's Army [KPA], which has General Kim Chong-il as supreme commander. The KPA is a formidable, ever-victorious strong army — each soldier being a match for a hundred — led by General Kim Chong-il, a great commander descended from heaven, who has matchless grit, protean brilliant tactics and extraordinary commanding art", and on the back the letters "For whom are war exercises against the fellow countrymen needed? we cannot fall a victim to yankees and 'civilian'-veiled military regime. Let all of us turn the gun about and shower fatal shells upon the South Korean and U.S. authorities, who are trying to ignite a second June 25 war. [Signed] The Patriotic Soldiers Committee. [Dated] December 24, 1995".

Japanese Delegation Discusses Economic Projects in DPRK

SK1901110596 *Pyongyang KCNA in English*
0854 GMT 19 Jan 96

[FBIS Transcribed Text] Pyongyang, January 19 (KCNA) — A delegation of the Ito-Yokado Co., Ltd. of Japan led by its senior managing Director Hironaka Kudo visited Pyongyang from Jan. 16 at the invitation of the Korea Taesong Economic Group [KTEG].

The delegation discussed the feasibility of dealing in marine products with the KTEG and visited the Hamhung March 11 exports processing station and the Nampo exports processing station during its stay.

Article Notes Importance of Internationalism to DPRK

SK1801131996 *Pyongyang KCNA in English*
1019 GMT 18 Jan 96

["It Is Our Consistent Stand To Keep Internationalist Principle and Revolutionary Obligation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA) — To remain loyal to the internationalist principle and revolutionary obligation is our invariable will and stand, and we will oppose all manner of wrong thought and acts going against internationalism and revolutionary obligation and actively support and encourage the peoples of all countries in their struggle for independence, says NODONG SINMUN in a signed article today.

The article quotes the great leader Comrade Kim Chong-il as saying:

"We have invariably been true to the internationalist principle and revolutionary obligation both in the party and state relations with the socialist countries and in our relations with all the friendly countries and friendly people."

The article further says:

Our people have a high sense of obligation and value unity and solidarity, friendship and cooperation with the world people. It is the character of our people to give full play to the spirit of revolutionary friendship, comradeship and cooperation and invariably keep the promise they once make.

Internationalism and revolutionary obligation is an invariable principle of the foreign policy and activities of our party and the government of the DPRK.

To keep the internationalist principle and revolutionary obligation faithfully is the intention and will of the great

leader Comrade Kim Il-song and respected Comrade Kim Chong-il.

Comrade Kim Il-song and General Kim Chong-il are the supreme incarnation and symbol of internationalism and revolutionary moral obligation. The noble internationalist spirit and revolutionary obligation of Comrade Kim Il-song are well illustrated by the fact that when he was alive, he covered 520,000-odd-kilometre-long trips to more than 80 countries on over 50 occasions.

His revolutionary friendship and noble moral obligation are fully being inherited by Comrade Kim Chong-il.

Article Lauds Progress of Socialism in DPRK

SK1901050996 *Pyongyang MINJU CHOSON*
in Korean 25 Oct 95 p 2

[Article by Yi Chang-kyun, entitled: "Consummating the Socialist Cause Under the Leadership of the Party Is Our People's Uncompromising Will"]

[FBIS Translated Text] Today, our socialist cause is vigorously advancing at a high level toward its final consummation.

It is a shining fruition of our party's wise leadership that our socialist cause has overcome all trials and challenges of history and is advancing along the road shown by the *chuche* idea.

Our mature and refined party is the headquarters of the revolution which pioneered the cause of socialism and carries it on along the road of victory. We cannot think about the proud path traversed by the *chuche* cause or about its final consummation apart from our party's leadership.

The great leader [*yongdoja*] Comrade Kim Chong-il has indicated: Our people have unfluctuating faith in the correctness and future of the socialist cause which we have chosen and pioneered. They are overflowing with revolutionary determination to eternally advance along the road of socialism under the leadership of the party.

The party is a weapon of the revolution and construction and, is a guiding force of the socialist society, the communist society.

Only with the political leadership of a guiding force which is based on such a powerful system as a party can the socialist cause successfully advance and be consummated to realize the people's independence and the bright future of mankind. The future of the socialist cause depends on the party's leadership and the party's leadership is a precondition to the victory of the socialist cause.

Our party is an invincible party which has been hardened and refined in the revolutionary storm over the past half a century. It is a prestigious, authoritative, and mature party which is convincingly leading the people's independent cause. In our country, the socialist cause has victoriously advanced under the leadership of the party. One of the great achievements which the party has won in the long and glorious history of our revolution is that it has defended the socialist cause and has led it brilliantly.

The wisdom of the leadership of our party, which is leading the socialist cause, is displayed in the fact that our party puts forth the most appropriate ideas, theories, strategies, and tactics to consummate the socialist cause.

Exercising party leadership based on a correct line and correct strategy and tactics is an important requirement for advancing the socialist cause victoriously. The socialist cause is a matchlessly arduous one to create something new along a path never before walked by anyone, and is a historic cause which accompanies a severe class struggle. Without a correct line and correct strategy and tactics, it is impossible to successfully wage the severe class struggle and to successfully accomplish such difficult and complicated revolutionary tasks as remaking man, nature, and society. Only by being based on a correct line and correct strategy and tactics can the socialist cause victoriously shape its future in the right direction and destination.

The wisdom of the leadership of our party, which is leading the socialist cause, is also displayed in the fact that our party illuminates the most accurate direction and destination for our revolution and construction by putting forth the strategy and tactics of our own style. Based on the immortal *chuche* idea, our party, at every stage of the revolutionary development, puts forth the most scientific, revolutionary, and realistic lines, strategies, and tactics which we should resolutely adhere to. By doing so, it is brilliantly solving all theoretical and practical problems which arise in advancing the socialist cause. The idea and program of imbuing the society with the *chuche* idea, the line of three revolutions—ideological, technical, and cultural—, and the strategic and tactical lines and policies on stepping up the work of remaking man, nature, and society have all proceeded from the basic demand of the *chuche* idea, and are a complete embodiment of the *chuche* idea. The strategies and tactics of our own style established based on the unique situation of our country show the straightest shortcut along which the socialist construction can advance very rapidly without any deviation or difficulty. Thanks to this, great revolutionary upsurges have been constantly brought about in socialist construction in our country; the historic tasks, which our ancestors were

eager to but were unable to accomplish, have been accomplished as a dazzling reality of our era; changes and miraculous events of the century have taken place one after another; and the most superior socialism which is centered around the people has been successfully built in the world we see today. The position and role of our party as the headquarters of the revolution have been extraordinarily enhanced, and are now so secure that nothing can shatter them, because it puts forth the correct lines and correct strategies and tactics for the socialist construction and because it competently organizes the struggle to implement these lines, strategies, and tactics.

The wisdom of the leadership of our party, which is leading the socialist cause, is displayed also in the fact that our party has turned itself and the revolutionary ranks into a powerful main force of the revolution consolidated as a single sociopolitical organic body, and is effecting great changes in the revolution and construction by using the might of the *chuche* idea.

Socialism advances and wins victory based on the positive function and role of the main force of the revolution. The main force of the revolution is a driving force that guarantees the survival and development of socialism. It is true that objective conditions and climates affect the development of the socialist cause to some extent. However, they can not be a decisive factor. The decisive factor on which the victory of the socialist cause depends is the main force of the revolution. Thus, a basic guarantee for increasing the revolution and construction lies in strengthening the main force of the revolution and enhancing its role.

In carrying out socialist construction, our party has always given priority to strengthening the main force of the revolution, and has ceaselessly intensified the work of strengthening the main force of the revolution as the revolution and construction develops to a higher stage. Our party has always given priority to ideological work. By doing so, our party has armed the people with the great *chuche* idea and with the party line and policy, which are the embodiment of the great *chuche* idea, and has strengthened and developed the revolutionary ranks into a single sociopolitical organic body and an independent main force by uniting the people around the party organizationally, ideologically, morally, and obligatorily. In our country today, the Workers Party of Korea, which has an invincible might, firmly stands at the center of the revolutionary ranks. The people who have shared destiny with the party throughout the entire course of the long revolutionary struggle, and who have overcome all kinds of trials, are united around the party and leader [suryong] with one mind and one intent. The party and people are sharing joys and sorrow by being united not in any business relations, but in inseparable

blood relations; all of society is permeated by the unitary ideology of the party. This is precisely our socialist society.

The single-hearted unity between the leader [suryong], the party, and the people is a look of our society. This is a basic element by which our socialism can overcome any difficulty or trial and can advance victoriously.

Our party has directed deep attention not only to fostering the main force of the socialist cause but also to enhancing its role by all means. Our party has ensured that the main force of the revolution fulfills its responsibility and plays its role by arousing the people's revolutionary zeal and creativeness by employing the mass guidance principle, which is the combination of revolutionary leadership and traditional mass line; by putting forth correct campaign slogans; and by waging various mass movements. Today, the creativeness and mass heroism of the working class are highly displayed in socialist construction. Thanks to this, new upsurges have been brought about and many great monumental structures have been built everywhere. This reality is evidence of the wisdom of the leadership of our party, which has strengthened the main force of the revolution and enhanced its role.

Invariably maintaining revolutionary principles by the party is a basic requirement for firmly supporting and defending the socialist cause.

The history of the revolutionary struggle of the working class shows that the socialist cause can overcome any difficulty or trial and continue to advance if revolutionary principles are maintained, otherwise it will degenerate and be foiled midway. Whether the party fulfills its mission as the defender of the socialist cause and as a great guide depends totally on its ideological firmness and revolutionary principles.

In our country, revolutionary principles that represent the basic demand and interest of the working class and people are invariably maintained. Under the banner of the *chuche* idea, our party established the socialist system, has consolidated and developed it according to the independent demand and interest of the people, and has carried out the revolution and construction according to the intrinsic nature of socialism. Even economic management is conducted in a collective manner; literature and art is morally developed, based strictly on party and working class nature; and people are educated as true revolutionaries who are absolutely faithful to socialism and who would devote themselves to society and the people. Our party's firm attitude toward revolutionary principles is becoming even more resolute as the imperialists and reactionaries intensify their offensive. This is clear evidence of the wisdom of

the leadership of our party and its endless devotion to the independent cause of the working class and people. Thanks to the wise leadership of the party, which invariably maintains lofty revolutionary principles, the vicious antisocialist and anti-Republic maneuvers of the imperialists and reactionaries have been ruthlessly smashed in our country; the socialist cause has been firmly defended; and our revolution has been ever-victorious without faltering at all.

Indeed, the course of struggle, in which our party has led the socialist cause along the single road of victory, shines as a glorious history in which the superiority of socialism and its might have been fully displayed to the world. Due to its firm faith in the cause of socialism, due to its boundless devotion to socialism, and due to the great achievements it has won in defending and developing socialism, our party enjoys lofty honor and authority as a refined leader [yongdoja] of the socialist cause and its staunch defender.

The greatness of the party is precisely the greatness of the leader [yongdoja].

The reason our party now enjoys lofty prestige and authority as an invincible and powerful revolutionary party is because it holds the great leader Comrade Kim Chong-il in high esteem at the head. The great leader Comrade Kim Chong-il is the destiny of our fatherland and nation, and is the future of our fatherland and nation. The leadership of the great leader Comrade Kim Chong-il is a banner of victory. Out of their life experiences, our people have realized that the great Comrade Kim Chong-il is an outstanding leader [yongdoja] who strengthens and develops our party into a refined guide of the socialist cause and its staunch defender. Our people have realized that they will be always victorious if they follow the leadership of the respected and beloved general.

It is the greatest honor and fortune of all of our people that they have the respected and beloved Comrade Kim Chong-il, who leads the socialist cause along the single road of victory under the banner of the great chuche idea, as the great leader [yongdoja] of the chuche revolutionary cause.

It is our people's uncompromising will that they will consummate the socialist cause under the leadership of the great leader Comrade Kim Chong-il. Our people have faith in the correctness and future of the socialist cause, which they chose and developed. They are overflowing with revolutionary determination that they will unfailingly consummate the socialist cause under the leadership of the great Comrade Kim Chong-il. Nothing can shatter our people's will because it is based on their firm faith in the correctness of the socialist

cause and because they firmly believe they will be certainly victorious when they follow the leadership of the great party. All people across the country absolutely trust and admire the great leader Comrade Kim Chong-il, and are effecting new upsurges in implementing the revolutionary economic strategy of the party by regretting they were not loyal and filial enough to the respected and beloved leader [suryongnim], thus trying to be more loyal and more faithfully fulfill their filial duties. This reality is a clear manifestation of our people's ardent desire to unfailingly consummate the socialist cause, the communist cause, by following the party forever.

As they have earned only victories and honors in the past, in the future our people will also loyally and invariably uphold the leadership of the great Comrade Kim Chong-il and will firmly defend and surely consummate the socialist cause.

Talk Extols Attributes of Socialism in DPRK

*SK1901142096 Pyongyang Korean Central
Broadcasting Network in Korean
2220 GMT 10 Jan 96*

[Unattributed talk: "Socialism Is an Ideology That Has Embodied the Inherent Nature of Social Human Beings"]

[FBIS Translated Text] Today, the imperialists are clamoring about the end of socialism, noting the fact that socialism has collapsed in some countries. However, people's aspiration for independence and their advance toward socialism cannot be blocked by any force.

Socialism is not an ideology invented by someone. It is a rule in the developing process of history for mankind to advance toward socialism. The invincibility of socialism lies precisely in the fact that it is the ideology that has embodied social human beings' inherent nature to live independently.

The great leader Comrade Kim Il-song has taught: Socialism is an ideology which has embodied the inherent nature of social human beings to do away with exploitation and oppression of men by men and to live independently. Therefore, it is no doubt that socialism is to have greater tractive force and to be victorious without fail as history advances and human being's independence and creativity are enhanced.

Mankind society is developing toward the direction in which the popular masses' desire to live independently is realized. This is because the popular masses are precisely those who are in charge of creating and developing history and because history advances on

the strength of the popular masses' activities to live independently.

Building a socialist society, a society devoid of exploitation and oppression, in which everyone can live evenly and lead a better-off life, is not only the inherent demands of social human beings, but is also the popular masses' century-long desire.

The whole history of mankind's society has been the history of the popular masses' struggle for the realization of their social and political independence. The development of mankind's society has been achieved on the strength of the popular masses' struggle against exploitation and oppression and for independence.

In the development of mankind's society, the capitalist society is the last exploiting society trampling underfoot the popular masses' aspiration for and demands of independence. It is also a tyrannical, high-handed oppressive system.

The liquidation of the capitalist system and the establishment of the socialist system become a historic turning point in the course of the popular masses' struggle for independence. In other words, with the establishment of the socialist system, all sorts of the exploiting class and the exploiting system trampling underfoot and oppressing the popular masses' aspiration for and demands of independence are liquidated and the popular masses' social and political independence is achieved. Thus, a wide road — which makes it possible for the popular masses to be free from the constraints of nature and of old ideology and culture — is opened.

Like this, socialism is a society which has appeared in history because of the popular masses' noble ideal and ideology to live independently without being exploited and oppressed. It is also a historic gain achieved by the popular masses' bloody struggle for realizing their ideal and ideology.

That socialism becomes the society which has embodied the inherent nature of social human beings to live independently is because the popular masses become the masters who grasp the state sovereignty and the means of production in that society.

Living independently means for the popular masses to live as the master of nature, society, and their destinies, being free from the constraints of nature and society. The state sovereignty and the means of production are the means which provide the popular masses with rights and authority as the master. They are also the basic factor which prescribes the popular masses' position and role in society.

Only the class which grasps the state sovereignty and the means of production can become the master of the state and society. The state sovereignty and the means of production become the means to exploit and oppress the popular masses if they are grasped by a minority special privileged class. An exploitation society is precisely a society in which the state sovereignty and the means of production are grasped by a minority special privileged class.

This is why the popular masses' struggle to liquidate exploitation and oppression becomes the struggle to win their state sovereignty and the means of production. With the establishment of the socialist system, the popular masses come to grasp their state's sovereignty and the means of production and to become the masters of the state and society.

For the popular masses to defend and promote the position as the masters of their society it is imperative to make the state sovereignty thoroughly serve the popular masses by enhancing its function and role and to continuously increase the qualitative level of the social ownership of the means of production.

When the socialist regime grasped by the popular masses thoroughly enforces socialist democracy and establishes the unitary system of ownership by all the people by changing cooperative ownership into (?centralized) people's ownership, the popular masses' demand to live independently can be more firmly realized.

That socialism is the society which has embodied the inherent nature of social human beings to do away with exploitation and oppression of men by men and to live independently is a truth proven by history and reality.

The imperialists praise the capitalist system. However, the capitalist system, under which the unlimited exploitation to amass more wealth is allowed, brings only slavery to the popular masses.

In the capitalist society, money dominates men, and human relations are maintained based on individualism. Accordingly, capitalism is a human hell in which the human being's dignity and value are most brutally trampled underfoot. Capitalism cannot realize the popular masses' aspiration and desire to live independently and equally.

As proven by history and realities, the popular masses become the genuine masters of society and can be free from exploitation and oppression only in the socialist society which is based on social ownership.

Our people have more properly built our fatherland, which was regained by the great leader [suryong], into

popular masses-centered superior socialism under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il.

Our own style of socialism has outstandingly embodied men's demands and aspiration to live independently, creatively, and in a collectivist way. Thus, our own style of socialism is beaming brilliant rays to the world as a men-centered society which makes it possible to realize all desires of human being.

This is why our people absolutely trust socialism that they chose and built with their own strength and are safeguarding, defending, and glorifying it, devoting their bodies and minds.

No one can block the aspiration of the popular masses who are advancing along the road of independence with firm faith in socialism and the trend of history.

Respect for Marx, Lenin, Others in DPRK Emphasized

*SK2001095296 Pyongyang KCNA in English
0931 GMT 20 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — The leaders of the working class who performed precious feats in accomplishing the socialist cause are respected and their exploits handed down to posterity in Korea.

Marx and Engels, Lenin and Stalin, the leaders of the working class, were the representatives of the aspirations and demands of the contemporary oppressed working masses and the socialist cause was inseparably linked with their names.

The great leader Comrade Kim Chong-il said:

"Our party and people respect Marx, Engels, Lenin and Stalin as the leaders of the working class and speak highly of their distinguished services."

The Workers' Party of Korea has defended and creatively developed the ideological and theoretical exploits performed by the leaders of the working class.

The great leader President Kim Il-song founded the chuche idea while creatively applying Marxism-Leninism to the Korean revolution and pioneered the road of the independent development of the Korean revolution. Thanks to the chuche idea, the historic limitation of the preceding theory has been surmounted and the revolutionary idea and theory of the working class have developed onto a new higher stage.

Comrade Kim Chong-il, in his treatise "Let Us Advance Under the Banner of Marxism-Leninism and the Chuche Idea" published on the occasion of the 165th birth anniversary of Karl Marx and the centenary of his

death, appreciated Karl Marx as the great leader of the international working class and the author of the scientific communist theory.

Comrade Kim Chong-il clarified the ideological and theoretical contributions of Marxism-Leninism in his many works including "On the Chuche Idea" (March 31, 1982), "On Having Correct Viewpoint and Understanding of the Chuche Philosophy" (October 25, 1990), "The Historical Lesson in Building Socialism and the General Line of Our Party" (January 3, 1992) and "Respecting the Forerunners of the Revolution Is a Noble Moral Obligation of Revolutionaries" (December 25, 1995).

Works of Marx, Lenin and other leaders of the working class were brought out in Korea. The birth anniversary of the leaders of the working class are commemorated and their exploits introduced on different occasions.

Portraits of Marx and Lenin are hung on the front wall of a large building on the right side of Kim Il-song square situated in the centre of Pyongyang, the capital city.

Today the imperialists and renegade socialists are heinously slandering the leaders of the working class, but their names are ineffaceable.

DPRK Spokesman Complains About Level of 'Assistance'

*SK2101123596 Pyongyang KCNA in English
1018 GMT 20 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — If hostile elements continue to politicalize and attempt to block the humanitarian assistance, we will no longer pin any hope on the so-called "assistance" and will go our own way on our assessment and decision.

This was said by the spokesman of the Ministry of Foreign Affairs of the DPRK in an interview with KCNA today in connection with the iniquitous rumor being spread by some hostile groups about the international food assistance following the tremendous flood disaster in Korea last year.

He told KCNA:

As already reported, the unforeseen flood in our country damaged many parts of the infrastructure and dwelling houses, and severe destruction of farm lands heavily decreased cereal production; the total losses and damage exceed 15 billion U.S. dollars.

Faced with the unexpected natural catastrophe, we appealed to the international community for possible humanitarian assistance. Some countries and international

organizations responded by fielding missions for damage assessment and taking measures including the material help in a lofty humanitarian spirit. This was useful and encouraging to our people to a certain extent.

The assistance so far is too small compared with the scope of our losses and damage.

Nevertheless, we are grateful for this.

It is common humanitarian practice in international relations to render assistance among countries and nations, whether big or small, under such hardship as natural calamities.

But some hostile groups intend to politicalize and create artificial difficulties for the international humanitarian assistance to our affected population.

Their machination dampens the noble humanitarian efforts by the international community to help us.

Frankly speaking, although we were rather reluctant, we complied fully with the conditions requested by international organizations and countries for their humanitarian support.

From the start, our military suspected that the humanitarian assistance in connection with the flood might be misused by hostile forces to coax us into "reform" and "opening" and insisted on finding a solution by relying only on ourselves under the given conditions.

Their suspicion is growing further owing to the unjustifiable attempts of hostile elements to politicalize the food assistance.

We hope that the humanitarian assistance to our country will help accelerate the mutual understanding and close cooperation between nations, preserve security and build confidence not only in the Korean peninsula but in this region.

'Intensifying' State Legal Order in DPRK Advocated

SK2001065296 *Pyongyang MINJU CHOSON*
in Korean 15 Dec 95 p 2

[Article by Choe Chong-hon: "Intensifying State Legal Order Is a Requirement for Strengthening and Developing Our Own Style of Socialism"]

[FBIS Translated Text] One of the important issues which arises in ceaselessly strengthening and developing our own style of socialism, which is centered on the people, according to the demand of the developing reality, is to further intensify state legal order.

The great leader [yongdoja] Comrade Kim Chong-il has indicated that socialist law is a powerful means to firmly defend the social system of the state and to

strengthen and develop it. Political and economic life, and all other social life is regulated by law in socialism. Thus, enhancing the regulating and controlling role of socialist law and firmly establishing a legal order are an essential requirement for reinforcing the state and social system and strengthening its might.

Intensifying the state legal order is our party's invariable policy.

Law is a code of conduct which is established by the state to maintain and intensify the relationship in production and the social order, and its enforcement is ensured by the government of the state. Intensifying legal order means enhancing the function and role of the law and further increasing its regulating and controlling role.

The Great Leader Comrade Kim Chong-il, by regarding the work of intensifying the state legal order as an important task to strengthen and develop our state and social system and to victoriously advance and consummate the socialist cause, has comprehensively elucidated principled requirements and methods to intensify the legal order and, in particular, has energetically led us so that the socialist constitution, all other laws, regulations, and rules are strictly followed in all areas of the state and social life according to the demand of our revolutionary development which has reached a new high level in imbuing society with the *chuche* idea.

Thanks to the wise leadership of the Great Comrade Kim Chong-il, in our country today a revolutionary law-abiding spirit with which all members of the society maintain a high law-abiding consciousness and voluntarily follow all laws, regulations, and rules has been firmly established, and new turns have been effected in all areas of the revolution and construction as the function and role of the socialist law are enhanced. As a result, the political, economic, and military foundations of the country have been drastically strengthened. At the same time, our socialist revolutionary base has been further reinforced as an invincible fortress never breached in any storm of history. It is fully displaying its superiority and vitality. This is evidence of the wisdom of the leadership of our party, which has put forth original ideas and policies to intensify state legal order and which has led the struggle to implement these ideas and policies.

Intensifying state legal order is an intrinsic demand of a socialist society.

Socialist society is not like capitalist society, which is based on individualism. Socialist society is a society based on collectivism, and is a highly systematized society in which all people are united around the party

and leader [suryong] and struggle to realize common goals and ideals. Uniformity and systematicness of people's activities are an inherent aspect of the socialist society, which is based on collectivism. Accordingly, there should be a tool to systematize and properly govern socialist society. Law is precisely the tool needed for this purpose. Socialist law is a common code of conduct which systematically regulates overall social activities of the members of the society. It is by the socialist law that people's collective and organizational activities are guaranteed, and that social order is maintained. Therefore, the state legal order should be intensified to strengthen and develop socialist society according to the demand of collectivism.

Intensifying state legal order is an urgent demand of the current situation and of the developing revolution.

Today the imperialists and reactionaries are intensifying their antisocialist maneuvers more than ever in order to demolish our style of socialism. Under these circumstances, the function and role of the socialist law should be enhanced and the state legal order should be intensified. Otherwise, we cannot protect and secure our people's interests and security and cannot defend the gains of the revolution, which we have earned by our blood. When the state legal order is intensified, only then can class enemies' challenges and their obstructing maneuvers be resolutely smashed, and our socialist revolutionary base firmly defended.

Thus, intensifying the state legal order is an important requirement for vigorously advancing our revolution and ceaselessly strengthening and developing our own style of socialism, which is centered on the people.

Intensifying state legal order is an important requirement for strengthening and developing our own style of socialism because, above all, doing so is an important guarantee for strengthening our revolutionary ranks as firm as a rock and establishing a sound spirit of life in society.

Superiority and might of socialism are judged by people who espouse socialist ideology. Thus, arming the people with socialist ideology is a prerequisite to reinforcing the main force of socialist society and strengthening the revolutionary ranks as firm as a rock. When the members of the society are firmly armed with socialist ideology, only then can people unite as one in ideology and will in order to fulfill and play their responsibility and role as the main force of the revolution, and display their endless wisdom and might so as to effect great changes in the struggle to remake nature and society.

Intensifying the state legal order is very important for arming people with socialist ideology and for nurturing

them into revolutionaries and working class. Socialist law stipulates the rules and regulations to be followed in living political, economic, and cultural life in the socialist society and sees that people live and work as required by these rules and regulations. Thus, socialist law helps people love organizations and groups, devote themselves to the society and people, and display the spirit of collectivism. By doing so, it helps people establish a noble communist trait of helping and leading one another.

Through the course of voluntarily respecting the state legal order, people correctly realize the revolutionary and popular nature of the socialist law and its function as an educator. It is also through this course that they come to have faith in the chuche-oriented ideology of the law and to resolutely struggle for the interest of the working class and people and against all such obsolete ideas as individualism and egoism. Therefore, only by intensifying the state legal order will it be possible to arm all members of society with the ideology of our party, rally them around the party and leader [suryong], and turn our revolutionary ranks into a united great revolutionary family.

Intensifying the state legal order is an essential requirement for establishing a sound revolutionary spirit of life in the society and strengthening and developing the socialist system. Revolutionary system and order should be established to establish a sound revolutionary spirit of life in the society. To this end, state legal order should be intensified. Intensifying state legal order enhances the regulating and controlling role of the law and helps people make it a rule and a daily routine to voluntarily respect the state legal order. Even in a socialist society, chaos and disorder will be created in society; people will ideologically degenerate and become corrupt; all kinds of nonsocialist phenomena will develop; and, thus, grave obstacles will be created to the sound development of the society, if state legal order is not intensified. When state legal order is intensified, only then will it be possible to establish a revolutionary law-abiding spirit to make all people respect the law of the state and live and work adequately and correctly strictly according to the legal order, and possible to establish a revolutionary system and order in all areas of the social life. At the same time, only by intensifying the state legal order, will it be possible for us to struggle against the violation of the law, no matter how insignificant it may be, and swiftly eradicate all unsound ideological factors making people violate law, prevent all members of the society from degenerating under all circumstances, and help them persistently struggle to strengthen and develop the socialist system, thus stepping up the work of revolutionizing the society and turning it into a work-

ing class society, and achieving the sound development of the society. Thus, intensifying the state legal order is a firm guarantee for strengthening and developing our own style of socialism by arming the people with the socialist ideology, by strengthening our revolutionary ranks as firm as a rock, and by making the society overflow with the sound revolutionary spirit of life.

Another reason that intensifying the state legal order is an important requirement for strengthening and developing our own style of socialism is because to do so is a firm guarantee for strengthening the economic foundation of the socialist system.

The economy is the material foundation of social living. Strengthening and developing the state social system largely depend on economic foundation, and the solid economic foundation of a country is established in the course of consolidating and developing socialist economic relations. Socialist economic construction should be vigorously carried out in order to strengthen and develop socialist economic relations.

Socialist economic construction is a struggle to implement the party's economic policy, and is a sacred task to dominate and remake nature in order to strengthen the economic foundation of the country. A revolutionary discipline and order should be established in all sectors and units of the people's economy to win victory to achieve results in this immense struggle and the accomplishment of this task is guaranteed by the function and role of the law. Socialist law is a powerful tool to vigorously step up socialist economic construction. Therefore, only by intensifying the state legal order will it be possible to intensify the labor administration discipline, maintain socialist principles in economic construction, make all working people value socialist ownership and carry out all their producing activities strictly based on regulations and rules, and prevent illegal phenomena of violating economic management rules. The task of making all working people realize that they are the masters of the industrial management, and vigorously carry out the mass technical innovation movement to produce more and better, even if there is insufficient manpower, facilities, and materials, and the task of making the working people correctly view the people's economic plan as an order from the party, and a law of the state, and making them fulfill their daily, monthly, and quarterly quotas of the state plan unfailingly, and produce and supply cooperative products in a timely manner, can all be successfully accomplished only when the state legal order is intensified. Only by intensifying the state legal order can a revolutionary spirit of labor be established in the society, the demand of the Tacan work system be fully accomplished in the economic management, and the labor management, fa-

cilities management, material management be meticulously carried out strictly according to the requirement of the economic management rules, and the producing activities and industrial management be carried out in a manner fitting masters. Only then, can all areas of the socialist economic construction be smoothly developed by merging with one another like toothed wheels, can innovations be ceaselessly brought about in production and construction, can absolute superiority of the socialist planned economy over the capitalist market economy be fully displayed, can collective ownership be expanded and developed, and can socialist economic relations be constantly strengthened and developed. Thus, intensifying the state legal order is a firm guarantee for strengthening the economic and material foundation of the socialist state.

All functionaries and working people should have a correct view on the role which the socialist law plays in reinforcing and developing the socialist system of our own style and should intensify the socialist law-abiding life according to the party's intent. By doing so, they should firmly establish a spirit of voluntarily respecting the law of the state in the whole society. They should ceaselessly strengthen and develop the socialist system of the state and even more vigorously display the superiority and might of our own style of socialism which is centered on the people.

Kim Chong-il Receives Athletes, Commanders of KPA

*SK2101234696 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 21 Jan 96*

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], has received athletes and commanding staff of the KPA. Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, who is chairman of the DPRK National Defense Commission and KPA supreme commander, received the athletes and commanding staff of the KPA on 20 January.

Athletes of the KPA women's volleyball team, marathon runners, boxers, shooters, military pentathletes, wrestlers, judo experts, divers, and commanding staff who participated in the first world military sports meet held in Italy in September last year and achieved magnificent results and manifested the honor of chuche Korea to the whole world were on hand.

Comrade Cho Myong-nok, director of the General Political Bureau of the KPA and KPA vice marshal; Comrade Kim Yong-chun, chief of the General Staff of the KPA and KPA vice marshal; Comrade Yi Ha-il,

KPA vice marshal; Comrades (?Kim Yong-kuk), Kim Ha-kyu, and Hyon Chol-hae, generals of the KPA; and Comrade Pak Chae-kyong, colonel general of the KPA, were also on hand.

Comrade Kim Chong-il congratulated all the athletes and commanding staff who defeated all the other athletes by thoroughly embodying the principle of ideological battle, indomitable battle, speed battle, and technology battle which was presented by our party and flew the brilliant Republic's banner of blue and red over the skies of Rome at the first world military sports match, and highly assessed their feats.

Comrade Kim Chong-il said that results achieved by the KPA athletes wholly manifested the heroic spirit of our army, which has grown to become an invincible one-is-a-match-for-100 strong force, and that they should elucidate the honor of a chuche fatherland at every international game by achieving better results in the future, by training better embraced with peerless courage and faith in victory.

Comrade Kim Chong-il gave precious gifts to the athletes and commanding staff which can be handed down generation after generation, and took a commemorative photograph with them. None of the participants were able to refrain from their great emotion and happiness over the fact that amid his busy schedule of attending to the overall work of the party, state, and military, the respected and beloved [kyongaechanun] comrade supreme commander personally received them and bestowed warm love and benevolence. They deeply bore in their hearts the honor of being fighters of the general, and by all the more thoroughly implementing the party's sports policy they consolidated their blazing determination to manifest to the whole world the wisdom and dignity of the Kim Il-song nation.

Kim Chong-il Congratulates KPA Athletes

*SK2201013396 Pyongyang KCNA in English
2132 GMT 21 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 22 (KCNA) — The great leader of the Workers' Party of Korea and the Korean people Comrade Kim Chong-il, chairman of the National Defense Commission of the DPRK and supreme commander of the Korean People's Army, received KPA athletes and their coaches on January 20.

Present on the occasion were the KPA woman volleyball players, marathoners, boxers, shooters, military pentathletes, wrestlers, judoists and divers who demonstrated the honour of chuche Korea all over the world by achieving good results at the first world military games

held in Italy in September last year as well as their coaches.

Comrade Kim Chong-il congratulated and highly appreciated the athletes and coaches for defeating all rivals and flying the DPRK flags in the sky above Rome. They could win the games as they strictly observed the principles of tactics based on ideology, fighting spirit, speed and skills, which were laid down by the Workers' Party of Korea.

He said their achievements unreservedly demonstrated the heroic mettle of the KPA, an invincible army each soldier of which is a match for a hundred foes. He urged them to train themselves harder with matchless courage and confidence in victory so that they can display the honour of the motherland of chuche at all international games.

He gave precious gifts to the athletes and coaches and had a picture taken with them.

They were greatly moved and felt happy that their respected supreme commander received them and bestowed warm affection and benevolence on them, busy as he was dealing with all affairs of the party, the state and the army. They renewed their firm resolution to cherish the honour of being his soldiers, implement the party's policy on physical culture and sports to the letter and demonstrate the resourcefulness and dignity of the Kim Il-song nation all over the world.

Present on hand were KPA Vice Marshal Cho Myong-nok, director of the KPA General Political Department; KPA Vice Marshal Kim Yong-chun, chief of the KPA General Staff; KPA Vice Marshal Yi Ha-il; KPA Generals Kim Myong-kuk, Kim Ha-kyu and Hyon Chol-hae; and KPA Colonel General Pak Chae-kyong.

Kim Chong-il Praised as Master of 'Witty Remarks'

*SK1901092296 Pyongyang KCNA in English
0908 GMT 19 Jan 96*

["Great Man and Witty Remarks" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 19 (KCNA) — As respected Comrade Kim Chong-il has made priceless witty remarks and confirmed their truth and validity by setting an example in practice, he has become an outstanding great master of witty remarks as well as the greatest man ever known in history, says NODONG SINMUN in a signed article today.

The article further says:

He gives flawless laconic answers to questions concerning the attributes of man and profound philosophical principles of man's life, which many philosophers,

statesmen, scholars and writers racked their brains for a long time to find a correct solution to, but in vain. His extraordinariness is beyond human imagination.

(?The article) quotes Comrade Kim Chong-il as saying:

"Speech is man. His thought and tastes are expressed in his speech and his occupation, level of knowledge and cultural and moral standards are also represented in his speech."

The article elaborates on features of the witty remarks of Comrade Kim Chong-il. His remarks, it notes, are characterized by the facts that they are based on the revolutionary outlook on the leader, which is of decisive significance in accomplishing the popular masses' cause of independence, and that they enable the people to have firm revolutionary outlook on the leader.

His witty remarks such as "to expect the victory in the revolution without the leader is as good as to expect a flower blooming without the sun" and "the leader is the centre of the socio-political integrity and the top brain representing the will of the popular masses" are based on the firm revolutionary outlook on the leader. They, therefore, indicate the key to the victory in the revolution, and give an elucidation of the role of the leader.

His witty remarks are also characterised by the facts that they make it possible to raise the position and role of the popular masses, the driving force of history, to the maximum and that they embody the philosophy of love for and trust in man so that they may touch the heartstrings of all the people.

Such witty remarks as "while believing in the people is as good as taking a tonic, turning one's back on the people is as good as taking poison" and "miracles are certainly wrought by the people, not by a chance given by heaven" can be made only by a people's leader who has an absolute worship for the people and devotedly works for them.

His witty remarks are characterised by the fact that they are based on the philosophy on the love for and trust in man to pull at the heartstrings of all the people.

Such witty remarks as "trust produces loyal subjects, but doubt produces traitors" and "belief added to strength is mightier than heaven" tell of the most noble and beautiful traits based on lofty human (?love) and revolutionary comradeship.

His witty remarks are also characterised by the facts that they give flawless answers to the problems arising in the revolutionary struggle and all aspects of social life and that they are expressed in plain language.

Comrade Kim Chong-il is well versed in everything because he has clairvoyant wisdom and rare scientific insight. Among his witty remarks are "political philosophy is the compass of leadership" and other witty remarks that statesmen should take as their guideline, "the enemy should be defeated by wisdom rather than a weapon," and other witty remarks on the military strategy and tactics and "only those who love the future have nothing impossible" and other witty remarks that give the people optimistic confidence and hope.

The article says, for their truth, scientific accuracy and validity his witty remarks, which are the embodiment of the immortal great *chuche* idea, have great cognitional and educational significance as well as infinite viability.

The symbol of his extraordinariness and greatness is the *chuche*-based witty remarks that are very instrumental in enlarging the view and discernment of all people infinitely, cultivating their intelligence, giving them confidence and courage as well as grit and will, adds the article.

Completion of Projects by Young Peole in DRPK Noted

SK1801110096 *Pyongyang KCNA in English*
0943 GMT 18 Jan 96

[FBIS Transcribed Text] Pyongyang, January 18 (KCNA) — Young people of Korea have completed more than 60 projects, greeting the 50th anniversary of the League of Socialist Working Youth of Korea (LSWYK).

The young workers of the limestone mine of the Sangwon cement complex built a minor power station and those of the Kowon coal mine built new pits with their own efforts.

Young men and women in Yomju County, North Pyongan Province, built a new coal mine with an annual capacity of thousands of tons, while LSWYK members of the Munchon dyestuffs factory and in Tongchon County, Kangwon Province, built different kilns for material supply.

The Yongsong Associated Machinery Bureau, the Nagon machine-building complex and other industrial establishments manufactured more than 80 pieces of equipment of various kinds which will be conducive to the implementation of the revolutionary economic strategy shaped by the Workers' Party of Korea.

New reservoirs, hatcheries, roads and several hundred hectares of material bases have appeared thanks to efforts of young men and women in Songrim City in North Hwanghae Province, Taechon County in North

Pyongan Province, Kumya County in South Hamgyong Province and other areas.

Members of LSWYK and other young people, through a do-good-thing movement, dedicated an electric locomotive "commemoration of the 50th anniversary of LSWYK" to the sector of rail transport and guns "youth vanguard" to units of the Korean People's Army.

LSWYK Renamed 'Kim Il-song Socialist Youth League'

*SK1901130796 Pyongyang KCNA in English
0853 GMT 19 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 19 (KCNA) — The League of Socialist Working Youth of Korea (LSWYK) was renamed Kim Il-song Socialist Youth League according to the decision of the conference of the LSWYK.

It fully represents the unanimous desire of eight million youths and children and all the Korean people to accomplish the revolutionary cause of chuche under the guidance of the great leader Comrade Kim Chong-il, holding the great leader President Kim Il-song in high esteem for all ages.

The Korean youth movement has covered the road of victory and glory since it was started by President Kim Il-song who was possessed of distinguished foresight and tested leadership.

During the anti-Japanese revolutionary struggle, he formed the Young Communist League of Korea and created a brilliant tradition of the youth movement. After the country was liberated, he, basing himself on this, set forth the unique line of rallying broad segments of patriotic-minded young men and women behind the flag of democracy under the complicated situation. And he declared the foundation of the Korean Democratic Youth League on January 17, 1946.

In May 1964, he reorganized the Democratic Youth League to be the League of Socialist Working Youth of Korea (LSWYK) in keeping with the requirements of the developing reality and strengthened and developed the youth organisation into a powerful combatant organisation fighting for socialism and communism. And he saw to it that the role of the organisation of young people was further enhanced.

In "The Youth Should Be Dependable Heirs to the Revolutionary Cause of Chuche", "Young People Must Accomplish the Revolutionary Cause of Chuche, Upholding the Leadership of the Party", "Young People and Students, Be the Vanguard of Our Times" and many other works, he set forth a chuche-based idea and the-

ory on youth movement and wisely led the Korean youth movement.

The Korean young people have performed undying exploits for the country and the nation, the times and the revolution in the past half a century period of the building of a new country after the country's liberation, the rigorous fatherland liberation war, the post-war rehabilitation and construction and socialist construction.

The achievements of young people which will shine long in the history of the country, the high honor of the LSWYK and its invincible combatant might could hardly be thinkable were it (?not) for the august name of President Kim Il-song, the pioneer and tested leader of the youth movement.

Today [words indistinct] people and youths, looking back on the past 50 years, keenly feel how great is their glory and happiness in having made the revolution under the leadership of President Kim Il-song, their hearts full of deep longings and reverence for him.

Recorded in the proud history of the Korean youth movement are the undying exploits of the great leader Comrade Kim Chong-il who ushered in a great heyday of the youth movement by applying President Kim Il-song's idea of youth movement in practice in a comprehensive way.

Comrade Kim Chong-il, always standing by the side of President Kim Il-song, led the youth movement along the road of victory and glory.

It is the consistent policy of the Workers' Party of Korea on the youth movement and the unanimous desire and aspiration of all the young people to strengthen the LSWYK forever into the youth league of President Kim Il-song.

Very bright is the prospect of the youth league with the august name of President Kim Il-song, the supreme symbol of all victories and glory of the Korean people.

Editorial Endorses Name Change for DPRK Youth Group

*SK2101081196 Pyongyang KCNA in English
0611 GMT 21 Jan 96*

["Historical Event in Development of Korean Youth Movement" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA) — The conference of the League of Socialist Working Youth of Korea [LSWYK] adopted a historical decision "on renaming LSWYK the Kim Il-song Socialist Youth League."

In this connection NODONG SINMUN today carries an editorial, which says what the youth league was named after the august name of the great leader Comrade Kim Il-song is the brilliant realisation of the long-cherished desire of the Korean youth and people and a powerful stimulus of the sacred struggle of our young people who live in an everlasting integral whole with him.

The editorial quotes the great leader Comrade Kim Chong-il as saying:

"Ever since he embarked on the road of the revolution, the great leader Comrade Kim Il-song has regarded the youth question as a strategic matter affecting the destiny of the revolution, put forward ideas and theories on the youth movement on the basis of the *chuche* idea in each period and at each stage of the revolution and has wisely led the youth movement in our country."

It is the greatest achievement made by the great leader Comrade Kim Il-song for the times and the revolution that he started the glorious youth movement of Korea, strengthened and developed the youth organisation of our country into a creditable militant ranks as iron as they are and successfully reared a large contingent of young people enough to reliably carry forward the revolutionary cause of *chuche* generation after generation, the editorial says, and continues:

Our youth league, named after his august name, is proud of being the glorious youth league which wages all struggle and activities with his exploits as an eternal wealth. The future triumphant advance of the Kim Il-song socialist youth league will be a course in which his immortal feats will shine brightly.

That our youth league was named after his august name is the precious fruition of the wise leadership of the respected Supreme Commander Comrade Kim Chong-il who has strengthened and developed the LSWYK into the youth organisation of the great Comrade Kim Il-song.

Thanks to the veteran and tested leadership of respected Comrade Kim Chong-il with noblest loyalty to the great Comrade Kim Il-song, our youth league has been cemented as firm as an iron wall as the most creditable political reserves of the Workers' Party of Korea and the youth league of the great Comrade Kim Il-song taking after his idea, leadership traits and noble virtues.

The editorial calls upon all the young people to more powerfully demonstrate to the world the dignity and honour of the Kim Il-song Socialist Youth League which upholds the leadership of respected General Kim Chong-il with loyalty, holding the fatherly leader Comrade Kim Il-song forever in high esteem.

Kim Chong-il Receives Youth League Officials

SK2001054096 *Pyongyang KCNA in English*
2122 GMT 19 Jan 96

["Comrade Kim Chong-il Receives Officials and Model Members of Kim Il-song Socialist Youth League" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — The great leader Comrade Kim Chong-il received officials and model members of the Kim Il-song Socialist Youth League on Friday.

Present on the occasion were the first secretary and secretaries of the Central Committee of the league and first secretaries of the provincial committees of the league as well as Kim Kyong-hui, a sub-work team leader of the Taepyeong cooperative farm in Hyangsan county; Yi Hye-song, a farmer of the Kumdang cooperative farm in Onchon county, South Pyongan Province; Kim Hyon-ok, secretary of a primary organisation of the Taesong district, Pyongyang municipality, committee of the Kim Il-song Socialist Youth League in the town management office; Kim Won, chief of the Speed Campaign Youth Shock Brigade no. 12; Yi Yong-hwan, secretary of the Chongpyong county committee of the League in South Hamgyong Province; Ko Song-uk, secretary of the primary committee of the League in Sinuiju Fishery Cooperative; Paek Hyon-chol, a worker of the August 10 mine; and Yu Sung-nam, chief of the Cha Kwang-su Youth Shock Force of the Chilli coal mine of the Anju area coal complex; who performed feats in different sectors of the national economy and gave full play to noble communist virtues.

Comrade Kim Chong-il noted with deep satisfaction that the young people, the successors to the Korean revolution who are unfailingly loyal to the party and the leader, are devotedly working at arduous and difficult posts of socialist construction for the prosperity and development of their country and motherland and giving full play to their communist virtues. He highly appreciated their exploits.

He said the spiritual and moral state of the young Korean people is very sound. He expressed his belief and expectation that they will all become guards and shock force members in the sacred cause of accomplishing the *chuche* revolutionary cause generation after generation with the high honor and pride of being young vanguards of the youth organisation named after the great leader President Kim Il-song.

All the participants renewed their burning resolution to do all work of the league as intended and wished by President Kim Il-song, strengthen and develop the League as the Youth League of Comrade Kim Il-song

and a powerful political reserve of the party forever and safeguard the party and the leader with their lives in the van under the uplifted torch light of the revolution kindled by General Kim Chong-il.

Comrade Kim Chong-il had a picture taken with officials and model members of the youth league.

Kim Il-song Socialist Youth League Celebrates

*SK2001151496 Pyongyang KCNA in English
0939 GMT 20 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 20 (KCNA) — A national meeting of young vanguards was held at Kim Il-song Stadium this afternoon to celebrate the proclamation of the Kim Il-song Socialist Youth League, attended by more than 60,000 young people and students.

It was solemnly proclaimed at the closing session of the conference of the League of Socialist Working Youth of Korea (LSWYK) held in the presence of the great leader Comrade Kim Chong-il on January 19 that it was renamed the Kim Il-song Socialist Youth League for its strengthening and development.

Choe Yong-hae, first secretary of the Central Committee of the Kim Il-song Socialist Youth League, in his report said that the renaming of the LSWYK as the Kim Il-song Socialist Youth League is a proud historic summing up of the Korean youth movement which was started and strengthened and developed incessantly by the great leader Comrade Kim Il-song and an expression of the unshakable faith and will of the young people across the country to develop it to be a youth league of Comrade Kim Il-song and respected General Kim Chong-il.

"It is also a great result of the wise guidance of respected General Kim Chong-il who has made untiring thinking and efforts to develop the LSWYK into a down-the-line youth organisation of Comrade Kim Il-song," Choe Yong explained adding:

"The Kim Il-song Socialist Youth League is the most reliable political reserve of the Workers' Party of Korea, which is fighting for the accomplishment of the revolutionary cause of *chuche* under the guidance of respected General Kim Chong-il, holding Comrade Kim Il-song in high esteem for all ages."

He stressed that all the officials of the league and young people should closely unite themselves around respected General Kim Chong-il, remain invariably loyal to his idea and leadership and firmly defend and exalt the people-centred socialist of Korean style in which the Kim Il-song nation lives and socialism of *chuche* is coming into full bloom.

Representatives of the young people from all walks of life and students in their speeches at the meeting evinced their firm determination to strengthen and develop the Kim Il-song Socialist Youth League forever as the youth league of Comrade Kim Il-song and a powerful political reserve of the party.

An anti-Japanese revolutionary fighter Hwang Sun-hui and a veteran of the fatherland liberation war Kim Song-chin made congratulatory speeches at the meeting.

They expressed the expectation that the young people would safeguard respected General Kim Chong-il with their lives and take the van in the struggle to accomplish the revolutionary cause of *chuche*, holding aloft the red flag associated with the life of Comrade Kim Il-song and the flag of the Kim Il-song Socialist Youth League.

The speeches were interrupted by shouts "Let us become rifles and bombs decisively defending the great leader General Kim Chong-il with our lives!" "Let us exalt the Kim Il-song Socialist Youth League to the whole world!" And so on.

Present there were Vice Marshal of the Korean People's Army Paek Hak-nim, Kim Ki-nam and Kim Chung-nin, secretaries of the Central Committee of the Workers' Party of Korea, Chang Chol, vice-premier of the Administration Council, and others.

Kim Chong-il Present at Close of LSWYK Conference

*SK1901115096 Pyongyang KCNA in English
1115 GMT 19 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 19 (KCNA) — The conference of the League of Socialist Working Youth of Korea (LSWYK) closed today, winding up the discussion successfully.

The great leader Comrade Kim Chong-il was present at the closing session.

When he appeared on the platform, all the conferees raised enthusiastic cheers "hurrah".

Taking up the platform were Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea [WPK] and minister of the People's Armed Forces; Choe Tae-pok, alternate Politburo member and secretary of the WPK Central Committee; Marshal of the Korean People's Army [KPA] Yi Ul-sol; Vice Marshal of KPA Cho Myong-nok, director of the General Political Department of KPA; vice marshal of KPA Paek Hak-nim; Kim Ki-nam and Kim Chung-nin, secretaries of the WPK Central Committee; Choe Yong-hae, chairman of the Central Committee of LSWYK; and vice-chairmen of the LSWYK Central Committee.

chairmen of the Provincial LSWYK Committees, and model LSWYK officials and members.

Seen in the platform party was Pak Ku-ho, chairman of the Central Standing Committee of the League of Korean Youth in Japan, who is heading a congratulatory group of the league which came here to participate in the celebration of the 50th anniversary of LSWYK.

The discussion on the agenda item "on renaming LSWYK the Kim Il-song Socialist Youth League" continued at the session.

The speakers said renaming LSWYK the Kim Il-song socialist youth league is a historic event powerfully inspiring the Korean youth resolved to defend the great leader President Kim Il-song's *chuche*-based ideas and theories on the youth movement and the exploits he performed in leading and developing the youth movement, devotedly safeguard the party and the leader in the van and accomplish the revolutionary cause of *chuche* under the leadership of the party, holding aloft the torch of the revolution kindled by the great General Kim Chong-il. The event also fully inspires the young progressive people of the world in their struggle for independence, they noted.

They vowed to strengthen and develop the league to be a youth league always faithful to Comrade Kim Il-song and to be powerful political reserves of the party by carrying on all the work of the league as intended and wished by President Kim Il-song.

Adopted by consensus at the session was a decision on the agenda item "on renaming LSWYK the Kim Il-song Socialist Youth League."

It was decided that the title of the organ of the Central Committee of the Kim Il-song Socialist Youth League shall be Chongnyon Chonwi (Young Vanguard) and the Central Committee of the league and each provincial, city and county committee (committee of unit with the same function) shall have a first secretary and secretaries and each primary organisation at all levels a secretary and deputy secretaries.

Comrade Kim Chong-il gave First Secretary Choe Yong-hae of the Central Committee of the Kim Il-song Socialist Youth League the league flag bearing a portrait of the respected leader President Kim Il-song, the sun of *chuche*.

After receiving the flag carrying the lofty aims of President Kim Il-song and the WPK's deep trust in and expectation from the successors to the revolution, the first secretary made a solemn pledge, representing the unanimous desire of the five million young vanguards to always remain loyal to Comrade Kim Chong-il and

become rifles and bombs to defend him with their lives, holding high the red flag of faith, the flag of struggle.

All those present at the session express in chorus the firm pledge of the young vanguards and shouted "Kim Chong-il" and "death-defying defence," waving red flags, and loudly sang the song "Let Us Hold the Red Flag High".

Comrade Kim Chong-il posed for a photograph with the delegates to the conference.

DPRK Ambassador to PRC Hosts New Year's Banquet

SK2101052896 *Pyongyang Korean Central Broadcasting Network in Korean*
0100 GMT 19 Jan 96

[FBIS Translated Text] DPRK Ambassador to China Chu Chang-chun hosted a banquet at the embassy on 17 January on the occasion of the 1996 new year. Portraits of the Great Leader [suryong] Comrade Kim Il-song and Great Leader [yongdoja] Comrade Kim Chong-il were hung in front of the banquet place.

Invited to the banquet were Tang Jiaxuan, vice foreign minister; Liu Deyou, vice culture minister; Wei Yu, vice minister of the State Education Commission; and other Chinese functionaries concerned, including the vice president of the Chinese People's Association for Friendship With Foreign Countries.

The DPRK ambassador and the Chinese vice foreign minister delivered speeches at the banquet. The Chinese vice foreign minister noted in his address that, upholding President Kim Il-song's lifelong intent, the DPRK people achieved new victories in the revolution and construction last year while advancing along the revolutionary road pioneered by the president, overcoming grave natural disasters by displaying their revolutionary spirit of self-reliance and fortitude, firmly united around the Workers Party of Korea [WPK] Central Committee headed by Comrade Kim Chong-il.

He continued: The DPRK people held grandiose celebrations on the 50th anniversary of the founding of the WPK and built monumental creations, such as the Kumsusan Memorial Palace and the Monument to the Party's Founding, and completed other construction for the development of the national economy. The DPRK's relations with foreign countries were also strengthened and developed in the past year. The Chinese people are always interested in all tasks of the DPRK people and are happy with all results achieved by the DPRK people, as if they were their own. We believe the fraternal DPRK people will achieve new and greater results in all domains, including political, economic, and diplomatic

affairs, in the new year, too, under the correct leadership of Comrade Kim Chong-il and the WPK.

He said: China and the DPRK are neighboring allies who have friendly relations and share the same border. The China-DPRK friendship, which was built personally by the old-generation revolutionaries of the two countries and has overcome trials of the long-run revolutionary struggle and changes in the world situation, has planted its roots deep in the minds of the two countries' peoples.

He stressed: To develop the China-DPRK friendship through the generations is a firm policy of the Communist Party of China and the Chinese Government, as well as a steadfast stance of all the Chinese people. It is of strategic significance to continuously consolidate and develop friendship and strengthen cooperation between China and the DPRK under the current international situation.

He concluded by expressing his firm belief that the friendly and cooperative relations between China and the DPRK will further bring about affluent results, thanks to the warm consideration extended by the leaders of the two countries and both sides' joint efforts.

The participants in the banquet toasted the traditional blood friendship and unity between the DPRK and Chinese peoples, the eternal life of the Great Leader [suryong] Comrade Kim Il-song, the good health and long life of Great Leader [yongdoja] Comrade Kim Chong-il, and the good health and long lives of Chinese leaders including respected Comrades Deng Xiaoping and Jiang Zemin.

DPRK, Bosnia-Herzegovina Establish Diplomatic Relations

*SK2101064496 Pyongyang KCNA in English
0619 GMT 21 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 21 (KCNA) — A joint communique on the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Bosnia-Herzegovina was signed in New York on Jan. 19.

The communique said that the DPRK Government and the Bosnia-Herzegovina Government agreed to establish diplomatic relations between the two countries and exchange diplomatic envoys at ambassadorial level in accordance with the U.N. Charter and the publicly recognized norms of international law, proceeding from the desire for developing the friendly and cooperative relations between the two countries in the idea of independence, peace and friendship.

It was signed by Ambassador E.P. [extraordinary plenipotentiary] Pak Kil-yon, who is the DPRK permanent representative to the United Nations, authorized by the DPRK Government and Ambassador Ivan Zdravko Misic, charge d'affaires ad interim of the mission of the Republic of Bosnia-Herzegovina in the United Nations, authorized by the Government of Bosnia-Herzegovina.

Indonesian President Receives DPRK Ambassador

*SK1901102596 Pyongyang KCNA in English
0859 GMT 19 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 19 (KCNA) — Indonesian President Suharto received the ambassador of the Democratic People's Republic of Korea on January 15 and expressed satisfaction at friendship between Indonesia and the DPRK which has been growing closer with each passing day.

He said the two countries have closely cooperated with each other on the principle of respect for sovereignty, non-interference in other's internal affairs and mutual benefits and expressed the belief that the bilateral relations of friendship will further expand and develop in the future.

He sincerely hoped that his excellency the great leader Kim Chong-il, chairman of the National Defense Commission of the DPRK and Supreme Commander of the Korean People's Army, will always enjoy happiness and long life in good health.

South Korea

U.S. Aerospace Defense Commander Meets ROK Air Force Chief

*SK1001012196 Seoul THE KOREA TIMES in English
10 Jan 96 p 3*

[FBIS Transcribed Text] U.S. Air Force Gen. Joseph Ashy, commander of the North America Aerospace Defense Command, paid a courtesy call to ROK Air Force Chief of Staff Gen. Kim Hong-nae yesterday.

A ROK Air Force spokesman said that the two discussed the possibility of space being turned into a battleground in the future and how to cope with it.

Gen. Ashy gave a speech, titled "Space Activity," during his visit to the Air Force Academy later in the day.

ROK, U.S. Reach Final Agreement on Food Expiration Dates

*SK2101054196 Seoul SEOUL SINMUN in Korean
21 Jan 96 p 7*

[FBIS Translated Text] While the United States has been intensifying trade pressure on its trading partners

following the 5 January decision to establish the Monitoring and Enforcement Unit of the U.S. Trade Representative Office, the first agreement this year on trade issues has been reached between the ROK and the United States.

The Finance and Economy Board said on 20 January: "Today the ROK and the U.S. reached a final agreement on food expiration dates. ROK-U.S. negotiations on this issue began in the United States on 16 January."

Accepting part of the U.S. demands in the bilateral negotiations, the ROK has agreed to liberalize the expiration dates for cheese, butter, baby food, and bread crumbs.

However, according to the Finance and Economy Board, the sides have also agreed that the expiration dates for milk and milk products such as yogurt will not be liberalized for the time being.

Accordingly, the Health and Welfare Ministry will reportedly liberalize the expiration dates for the four items, including cheese and butter, around March.

When food expiration dates are liberalized, they will be specified directly by food makers, not by the government.

Prior to this, the ROK Government had liberalized the expiration dates for 207 food items since October 1995, based on an ROK-U.S. agreement on food expiration dates signed in July 1995. However, there were still disputes between the sides over this issue because the U.S. side protested about the scope of the liberalization.

As the ROK and the United States have reached a final agreement on this issue, the ROK will now be able to avoid a lawsuit the United States had planned to file against it with the World Trade Organization.

ROK: USFK Civilian Arrested on Suspicion of Murder

SK2101043196 Seoul THE KOREA TIMES in English 21 Jan 96 p 3

[FBIS Transcribed Text] Police, investigating the death of a woman Friday in Samho Apartment in southern Seoul, placed under arrest USFK [U.S. Forces Korea] civilian employee Henry McKinley, 36, yesterday on suspicion of slaying her.

The American electric engineer was put into the Seoul Detention House late in the day.

The Socho Police Station said that it found ample ground to further detain the American electric engineer through overnight interrogation Friday. McKinley, live-in companion of Kang Un-kyong, 39, was with her when

she died, and reported to police on her death Friday night.

During interrogation, the American told police that he had a fight with Kang and beat her on the face and chest but that his beating didn't lead to her death.

Although the exact cause of her death was still being determined, police strongly suspected that Kang was beaten to death since she was found with bruises over the majority of her body. And a fresh nick on the American's face was believed to be caused while the two had a fight, police said.

Police said that McKinley had called Kang's family and threatened to kill them unless they stopped opposing their living together before she died.

A USFK spokesman said that he is "non appropriated" employee who is not covered by the Korea-U.S. Status of Forces Agreement clause on custody of American military personnel, suspected of committing crimes.

SOFA Revision Sought To Allow Base Environmental Checks

SK2101045196 Seoul THE KOREA TIMES in English 21 Jan 96 p 3

[By staff reporter Sin Hak-lim]

[FBIS Transcribed Text] The government is seeking to revise the Korea-U.S. Status of Forces Agreement (SOFA) to enable environmental authorities of Korea to conduct pollution surveys on U.S. military camps alone or jointly with the U.S. Forces Korea (USFK).

The Environment Ministry has put forth recommendations for the revision of the SOFA to the Foreign Ministry, which is in charge of negotiations for projected amendment to the agreement. Negotiations between the governments of Korea and the U.S. are underway on the SOFA which went into effect in 1967.

The ministry is also planning to reinforce pollution control on Korean military facilities. To that end, the ministry is conducting a survey on some 60 Korean military units to get the true picture of environmental conditions there.

The ministry's moves are designed to follow upon the enactment of the "Law on Soil Preservation" which went into effect Jan. 6.

Ministry officials expressed hope that their recommendations regarding the revision of the SOFA for effective pollution control at U.S. military facilities will be reflected in the ongoing bilateral negotiations.

However, he refused to give details about the contents of the recommendations submitted to the Foreign Ministry.

"Under the current SOFA, it is almost impossible for Korean environmental authorities to conduct any survey on U.S. military camps here because the U.S. exercises exclusive jurisdiction over all facilities and areas," a ranking Environment Ministry official said.

The official said, on condition of anonymity, "The projected surveys are designed to get the true picture of their pollution controls. The government just wants to know how well the U.S. military units are preserving the environment."

"I do not mean that the government has secured any evidence of serious pollution problems involving U.S. military sites and their neighboring areas," the official told *The KOREA TIMES*.

Ministry officials explained that the ministry had conducted surveys on soil preservation at several former U.S. military units whose sites were returned to Korea in the early 1990s, and did not find any serious environmental problems.

SOFA's Article 4 Paragraph 1 stipulates that "The government of the United States is not obliged, when it returns facilities and areas to the Government of the Republic of Korea on the expiration of the agreement, or at an earlier date, to restore facilities and areas to the condition in which they were at the time they became available to the United States armed forces, or to compensate the ROK Government in lieu of such restoration."

Prior to the sought-after surveys of the U.S. military sites, the ministry will finish surveys on 60 Korean regiment-level units across the nation by the end of this year. Seven of them in the rear areas were already surveyed.

U.S. Paper Rectifies Article on ROK Kim Yong-sam's Son

SK0901020196 Seoul THE KOREA HERALD in English 9 Jan 96 p 2

[FBIS Transcribed Text] *THE LOS ANGELES TIMES* last Saturday published a rectification of its previous article which implied that President Kim Yong-sam's son is receiving bribes.

In a "For the Record" column, *THE TIMES* said that Kim Hyon-chol wrote to *THE TIMES* saying that he does not and has not received bribes or political contributions from anyone.

"*THE TIMES* accepts his declaration and has no evidence otherwise," it said. "*THE TIMES* regrets any implication to the contrary."

THE TIMES, in a Seoul-dated article written by its Tokyo correspondent, reported in its Dec. 2 last year edition that Kim Hyon-chol is receiving money.

The questioned part of the article, titled "South Korea's Body Politic Braces for Still More Blows," was based on quotes from unidentified sources.

It embarrassed both the President's son and government officials and Hyon-chol once considered filing a libel suit against the U.S. daily.

U.S. Notifies ROK of Heavy Oil Funds Budget

SK2101020996 Seoul MUNHWA ILBO in Korean 20 Jan 96 p 2

[Report by Yi Pyong-ho]

[FBIS Translated Text] It was confirmed on 20 January that the United States has officially notified the ROK and Japan it cannot pay more than the \$19 million it has already secured in its budget for the 500,000 tonnes of heavy oil it promised to provide to North Korea, which will cost approximately \$50 million.

A government authority said on 20 January: "Thomas Hubbard, U.S. deputy assistant secretary of state for East Asian and Pacific Affairs, visited the ROK on 13 January and has conveyed the U.S. position that the United States cannot bear any more expenses than the secured budget for the heavy oil cost, and it will impose the deficit on Japan and the EU." The United States has reportedly asked the EU to pay \$20 million and Japan to pay \$10 million.

To this end, the United States has decided to include the EU on the Korean Peninsula Energy Development Organization [KEDO] Executive Board, and has sounded out the ROK on this matter.

However, the ROK has conveyed its position that the EU may become chairman of the KEDO Advisory Committee or participate on the Executive Board as an observer with the right to comment, but should have no decision-making rights.

Deputy Assistant Secretary Hubbard also reportedly met with Endo Detsya, Japanese ambassador in charge of the light-water reactor project, who was visiting the ROK at the time, at the Japanese Embassy in Seoul and officially asked Japan to share the heavy oil costs.

DPRK Official: Ex-U.S. Soldiers Teach English in DPRK

*SK2001045796 Seoul CHOSON ILBO in Korean
20 Jan 96 p 1*

[By reporter Song Ui-tal]

[FBIS Translated Text] It has been officially confirmed for the first time by a high-ranking North Korean official that Americans who were once in the U.S. military are teaching English in North Korea.

YTN [YONHAP Television Network], a cable TV news broadcast, reported through a correspondent in Honolulu that Kim Mun-song, secretary of the DPRK Committee for the Promotion of External Economic Cooperation (Chairman Kim Chong-u), who came to Honolulu on 19 January to take part in an economic forum hosted by the East-West Cultural Center at Hawaii University, said: "Americans who were once in the U.S. military are teaching English in Pyongyang."

Kim Mun-song said there is a special school in which Americans teach English, but the scale of that school is not that of a university. It has not yet been confirmed whether they were prisoners caught during the Korean war.

U.S.-DPRK Ties To Keep 'in Balance' With Inter-Korean Ties

*SK2201022296 Seoul HANGUK ILBO in Korean
22 Jan 96 p 1*

[Report by Washington-based correspondent Chong Pyong-chin]

[FBIS Translated Text] It was confirmed on 21 January that the U.S. State Department has informed the ROK Government of its position that it will not seek progress in North Korea-U.S. relations by going counter to the ROK Government's stance, and accordingly, it will not push ahead with establishing North Korea-U.S. liaison offices during the first half of this year.

This can be considered the U.S. Government's acceptance of the ROK request for restraint since the moves for improvement in North Korea-U.S. relations have been accelerated since late last year. These moves for improved DPRK-U.S. ties have moved so rapidly that they have aroused worry within the ROK Government, thus attracting the people's attention.

A high-ranking diplomatic official in Washington stated on 21 January that "the U.S. State Department and the ROK Government recently held unofficial consultations on several occasions concerning improvements in North Korea-U.S. relations, the issue of North-South dialogue, and the like. During the talks, the U.S. State Department

made it clear that the improvement of North Korea-U.S. relations is the independent foreign policy of the United States. However, the United States does not want to push for improvements to the exclusion of the ROK Government's position."

He added that "conveyance of this position to the ROK side can be interpreted as a response to the ROK Government's concern about improvements in North Korea-U.S. relations being accelerated by going beyond the practical situation on the Korean Peninsula, including progress in dialogue between North and South Korea. The U.S. side again promised to hold even closer consultations with the ROK Government in advance concerning North Korea-U.S. relations in the future."

When the United States informed the ROK Government late last year that it would push ahead with establishing North Korea-U.S. mutual liaison offices during the first half of this year, the ROK Government strongly demanded that the improvement of North Korea-U.S. relations should be kept in balance with progress in North-South relations.

U.S. Plans To Give More Rice Aid to DPRK

*SK2201015196 Seoul KBS-1 Radio Network
in Korean 2200 GMT 21 Jan 96*

[By correspondent Cho Sun-hyong from Washington]

[FBIS Translated Text] It has been learned that the Clinton U.S. Administration has already made plans for the second round of food aid to North Korea since last autumn. The U.S. Administration has revealed that the scale of the food aid will surpass that of last time's aid, which was about \$225,000 carried out through the United Nations, and this does not have to be approved by Congress.

The United States plans to officially announce such a plan at the ROK-U.S.-Japan talks slated to begin on 24 January in Hawaii. It is believed that in contrast to the ROK Government's position requiring a prudent attitude regarding aid to the North, the U.S. Administration set up such a plan because there are worries that food shortages due to famine may lead to reckless provocations by the North Korean military.

U.S. Ambassador Laney's ROK TV Interview Reported

*SK2101090796 Seoul YONHAP in English
0736 GMT 21 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP) — American Ambassador James Laney said Sunday his country will provide food aid to North Korea in a manner that can help the communist country get out

of international isolation even if North Korea does not want such a manner. [as received]

In an interview with President Kim Kyung-won of the Institute of Social Sciences aired by KBS television, Laney said the U.S. Government would not use food aid as a means of threatening North Korea's existence as a state.

If the North Koreans consider the U.S. Government not giving them food aid as a threat to their existence, the government in Pyongyang might become unstable or tumble down, he observed.

When the United States should give the communist country food aid is the matter at issue today, but the U.S. Government would not take any action which may prolong North Korea's military threat to South Korea.

Asked about the coming Hawaii meeting of Seoul, Washington and Tokyo on North Korea, the ambassador said the three governments would exchange their up-to-date information on recent developments in North Korea before discussing how to deal with North Korea's food shortages.

As for the news reports about secret U.S.-North Korea contact, Laney dismissed them as totally unfounded, saying there has never been such a contact.

Without South Korea's active participation, no international decision which has a significant influence on the Korean peninsula can be made, he stressed.

Asked about the future of the North Korean regime, the American diplomat said although there is no evidence of the regime facing an immediate collapse, it appears to be facing mounting pressure for a fall.

But he added the government in Pyongyang is well trained in taking a firm grip on its people and that the military appears to be cooperating.

Laney said he would ask President Bill Clinton to visit Seoul when he visits Tokyo in April because there are many pending issues the two presidents should discuss.

Moreover, Clinton's visit is necessary to demonstrate the friendly relationship between the two countries before the world, he added.

The ambassador said the time has come for the U.S. Government to seriously consider granting South Korean travelers no-visa entry status in view of the increasing number of South Koreans traveling abroad.

ROK Daily on U.S. Pressure for Rice Supply to DPRK

*SK2101114196 Seoul CHOSON ILBO in Korean
21 Jan 96 p 3*

[Editorial: "U.S. Pressure for the ROK's Assistance to North Korea"]

[FBIS Translated Text] The United States seems to be escalating its pressure on the ROK into supplying grain and heavy oil to North Korea. The fact that high-ranking U.S. officials in charge of North Korean affairs visit the ROK one after another is suspicious. And, the fact that the United States and the ROK have very different assessments of the North Korean grain situation is ominous, as well. When it could no longer pay for the heavy oil for North Korea, the United States asked one country after another to help, to no avail. Then, it seems to turn its eye to the Korean Peninsula Energy Development Organization [KEDO]. Therefore, we suspect that the ROK-U.S.-Japan high-level policy consultative meeting, which will open in Hawaii on 24 January, will provide the United States an opportunity to put pressure on the ROK with regard to the supply of rice and heavy oil to North Korea, contrary to our expectations that the meeting will extensively discuss the light-water reactor issue and take a step further toward ensuring North Korea's nuclear transparency.

We have so far assumed that the ROK and the United States have some different views on assistance to North Korea. For the sake of stability in Northeast Asia, the United States has accepted North Korea's attempt to get close to it and rely on it, bypassing the ROK. However, we cannot tolerate this policy, which would damage our reputation and place a heavy burden on us. In connection with the supply of rice and heavy oil, our government learned a stern lesson in the regional elections last year. Therefore, it is not in a position to affirmatively deal with the heavy oil issue when the parliamentary elections are around the corner. However, the Clinton administration is not in a position to reject North Korea's policy, even if this would create some trouble, because it should not, at least, create any problem in the U.S.-North Korea relations before the November election, not to speak of improving the relations.

We still believe that it is important for the ROK, the United States, and Japan to coordinate policies toward North Korea. However, we cannot accept it if the United States or Japan gives priority to its own interests and puts pressure on us. As for rice assistance, if the United States and Japan find it beneficial to each's own interests to cajole North Korea, they may provide rice assistance to North Korea themselves, if they have surpluses. And, as for heavy oil, it is a matter of course that the United

States will supply heavy oil to North Korea at its own expense, because the United States so agreed in Geneva. When we expressed our concern that the United States might ask the ROK or KEDO to share the burden for supplying heavy oil, the United States said it was not true. We hope the United States will not forget this promise.

We have agreed to pay \$4 billion, a large sum of money, to ensure North Korea's nuclear transparency. Then, the United States should pay, at least, the cost for the heavy oil, a much smaller amount, for the sake of the nuclear control, should it not? Even when we give something to North Korea, we will do so based on our own judgment, without being forced by other countries. Our sense of self-respect will not tolerate our being forced by other countries. The government must not deal with the issue with the strategy of "holding our ground until the parliamentary elections and giving in after the elections." The government's attitude must be clear-cut and firm, above all.

DPRK Proposes Sinpo as Venue for KEDO Negotiations

SK2201020596 Seoul KYONGHYANG SINMUN
in Korean 22 Jan 96 p 1

[Report by Yi Tae-kun]

[FBIS Translated Text] It has recently been learned that North Korea has proposed to the Korean Peninsula Energy Development Organization [KEDO] that negotiations on concluding a follow-up agreement to the light-water reactor agreement with KEDO be held early next month in Sinpo, South Hamgyong Province.

On 21 January, a relevant government official said "the DPRK mission at the United Nations sent an official letter to the KEDO Secretariat in New York early last week proposing that negotiations for concluding a follow-up agreement be held in Sinpo, the place designated as the light-water reactor construction site and where the KEDO survey team is now engaged in survey work."

North Korea in the past evaded designating the Korean Peninsula as the venue for talks to discuss impending issues between North and South Korea, including rice aid to North Korea and the light-water reactor project. In view of its previous position, such a proposal by North Korea now is regarded as a noteworthy change in its stance, thus attracting great attention from the people.

This proposal also arouses the public's interest, because it was proposed at a time when North Korea allowed the third survey team on light-water reactor sites to stay one month longer than originally planned.

In view of the fact that large cities in third countries, such as Kuala Lumpur and New York, have been designated as light-water reactor negotiation sites in the past, KEDO officials view as exceptional North Korea's proposal to designate such a small city, which lacks the appropriate traffic and conference-related facilities and accommodations, as the negotiation venue.

Pak Chong-chol, a researcher at the National Unification Research Institute, stated that "North Korea's purpose in holding talks in the place designated as the reactor construction site is to show its positive attitude toward accomplishing the light-water reactor project and, on the other hand, to give people the impression that it is cooperating with the project."

Red Cross Relief Goods to DPRK To Bear ROK Labels

SK2001051296 Seoul YONHAP in English
0502 GMT 20 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 20 (YONHAP) — The ramyon (instant noodles) and blankets the South Korean National Red Cross (KNRC) is providing to North Korea as relief goods will bear South Korean labels.

This is in contrast to the 150,000 tons of rice sent to the North last summer in unmarked bags.

The KNRC disclosed Saturday that it has purchased 100,000 servings of "Shin" ramyon and "Samyang" ramyon, and will ship this food to North Korea in the same packages found in South Korean stores.

This decision was made because cooking instructions are on the package in Korean, and repackaging would raise the cost and reduce the amount that could be purchased, a KNRC official said.

However, boxes containing 30 ramyon packs each will be used different than those distributed locally. These cartons will bear the Red Cross and crescent which is the symbol of the International Red Cross.

The two thousand blankets to be distributed by the KNRC will also bear the manufacturer's Hanil synthetic fiber label, according to the official.

In the meantime, the third shipment of relief goods, which consists of ramyon, blankets and winter socks, has been delayed because there is no available ship.

The relief goods were originally scheduled to be transported to the North Korean port of Nampo Saturday aboard a vessel from a third country.

ROK Takes 'Flexible,' Conditional Stance on DPRK Aid*SK2101032796 Seoul YONHAP in English
0242 GMT 21 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP) — The South Korean Government would take "a flexible stance" on international food aid to North Korea if the communist country allows the (South) Korean National Red Cross to participate in the International Red Cross mission to Pyongyang.

The government also will allow South Korean businesses to provide food aid to the North in the humanitarian cause provided that such aid is delivered through the Korean national Red Cross, reversing the stance against such aid.

A National Unification Ministry official said Korean National Red Cross officials in the International Red Cross mission in Pyongyang would ensure a more accurate assessment of North Korea's food situation and preventing the food aid from being delivered to the military, thus increasing the transparency of the use of aid food in the communist country.

At an international Red Cross meeting to be held in Geneva on Thursday next week, the government will ask the International Red Cross to make arrangements for Korean National Red Cross officials' joining in its mission in Pyongyang, he added.

The official said in case South Korean businesses plan to provide food aid to the North in the cause of humanity, they would be allowed to do so on condition that the aid will be provided through the Korean National Red Cross.

The government will inform the United States and Japan of this policy when officials of South Korea, the United States and Japan meet in Hawaii during the coming week to discuss providing food aid to the communist country, he added.

Meanwhile, North Korea has opposed a plan of the International Red Cross to send a group of international journalists to the communist country for a fact-finding survey of its food situation, with a view to creating an international environment favorable to food aid, a Korean National Red Cross official said.

The International Red Cross planned to send international reporters to Pyongyang in a bid to make known to the world how severe is the North's food problem, but the plan failed in the face of Pyongyang's opposition.

North Korea, while asking for international food aid, appears hating the reality of its food situation to be made

known to the world because it offers various conditions for food aid, the official said.

ROK Opposes Consortium Method of Food Aid to DPRK*SK2201042296 Seoul HANGUK ILBO in Korean
22 Jan 96 p 2*

[By reporter Yu Sung-u]

[FBIS Translated Text] It was learned on 21 January that the government had confirmed its position that it will promote food aid to the North by directly consulting with the North side through the resumption of talks between the South-North authorities. At the ROK-U.S.-Japan high-ranking policy consultative meeting slated to begin on 24 January in Hawaii, the government plans to reject food aid to the North through the international consortium method and then request cooperation from the United States and Japan to resume dialogue between the South and North for food aid.

It was learned that however, the government plans to withdraw its request to the North side that it must adhere to the principle of "holding the talks within the Korean peninsula," which was made during the third round of Beijing talks in September last year, and will reveal its position that it will respond to a dialogue even if it is resumed in a third country.

Therefore, if South-North dialogue is resumed to discuss food aid, there is a high possibility that it may be in the form of the fourth round of Beijing talks between the South-North authorities. A government official said: "We will clearly state that since there is a negotiating channel regarding rice aid in the form of Beijing talks, in which the South and the North can directly consult with each other, we will not respond to the method of the Korean Peninsula Energy Development Organization, in which an international consortium is formed for food aid to the North. Food aid to the North will be promoted from a comprehensive level of economic cooperation on condition that measures be taken to ease the North side's tension."

ROK Ministry Official on Rice Aid to DPRK*SK2201074196 Seoul YONHAP in English
0732 GMT 22 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 22 (YONHAP) — South Korea does not oppose the idea of providing additional rice aid to North Korea, but some conditions should be met before such assistance is given, a Foreign Ministry official said Monday.

"We have the same position as international organizations and private aid agencies in providing rice aid to

starving North Korean brethren," Deputy Foreign Minister for Political Affairs Pan Ki-mun said. He was briefing reporters on the upcoming talks in Honolulu, Hawaii, between South Korea, Japan and the United States on the North Korean issue.

Seoul has maintained that North Korea should allow the international community to verify the food shortage there and should permit donors to confirm that the food will not be used for military purposes.

Unification Minister Kwon O-ki also said last week that changes in the North's attitude towards the South, including improvement in inter-Korean relations, should precede any additional rice aid.

Pan added, "The main purpose of the tripartite talks in Honolulu will be the coordination of positions of South Korea, the United States and Japan on the rice shortage in North Korea while exchanging opinions and information on the north's food shortage."

The official said, however, the talks in Honolulu were not originally intended to make any decisions on rice aid to the North, although he expected the three countries will produce a joint press statement at the end of the two-day talks between Wednesday and Thursday [24 and 25 January].

"Foreign ministers of South Korea, Japan and the United States originally agreed to hold the three-way high-level officials talks last November in Osaka, Japan, at the Asia-Pacific Economic Cooperation (APEC) summit, when they agreed on the need for close cooperation between the three countries in dealing with the North Korean issue," he said.

Pan said that the foreign ministers wanted senior officials of the three countries to exchange opinions on the security and political situations of North Korea to produce coordinated policies on the hunger-stricken nation.

He expected that the talks will take the form of a routine meeting from now on, although he could not say how often the three nations would meet. Wednesday's meeting will be the first of its kind.

Scheduled to lead a nine-member South Korean delegation to Honolulu, Pan will meet with Japanese Deputy Minister for Foreign Affairs Yanai Shunji and Assistant U.S. Secretary of State for East Asia-Pacific Affairs Winston Lord.

Defection of DPRK Diplomat's Wife Discussed

SK1401041196 Seoul CHOSON ILBO in Korean
14 Jan 96 p 2

[Article by reporter Ku Song-chae: "Political Asylum Sought by Wife of North Korean Diplomat"]

[FBIS Translated Text] The political asylum sought by Choe Su-pong, wife of a secretary serving in the North Korean Embassy in Zambia is one more instance in a succession of defections of North Korean upper class figures to the ROK, and symbolizes a "wavering North Korea."

North Korea is reacting nervously to this, insisting that she was kidnapped by the ROK. North Korea had to be greatly shocked to have such a reaction.

The precise way in which Choe's sought political asylum has not been revealed because the Foreign Ministry is refraining from revealing the details in consideration to her personal safety and diplomatic issues with Zambia. It is also an international practice not to disclose details of a defection. The Foreign Ministry merely revealed that "Mrs. Choe called on our embassy." Observers say that in view of the peculiarity of the North Korean system, it is unlikely that she acted alone since she is a woman. There is a good chance that "the couple tried to defect together" but her husband was unable to do so, thus, she ended defecting by herself.

Hyon Song-chol, Choe's husband, was said to be a third secretary in the embassy. Experts in North Korean affairs point out that assuming his age is at least 36, based on his wife's age, Hyon Song-chol's grade as third secretary is very low as an official in the North Korean Foreign Ministry. Experts observe that Hyon Song-chol, her husband, may belong to the national security department or to economic department, such as the Taesong General Bureau.

The ROK Foreign Ministry said that Mrs. Choe is now under the protection of the Zambian Government. It added that after consultations with the Zambian Government, the ROK side turned over Mrs. Choe to Zambia on 11 January. The number of staff members in the North Korean Embassy in Zambia is known to be about 10. Our embassy is making preparations for any contingency concerning her defection, because the North Korean Embassy is superior over ours in terms of the number of staff members.

The North Korean Embassy in Zambia is one of North Korea's strongholds in Africa. However, following the establishment of diplomatic relations with Zimbabwe and Namibia, the scale of the embassy has been reduced. Nevertheless, it is regarded as one of North Korea's

major overseas missions. Yang Hyong-sop, chairman of North Korea's Supreme People's Assembly, visited this area in May of 1994.

The political asylum sought by Mrs. Choe is to begin with the confirmation that she did so of her own free will. With the cooperation of the UN Office of High Commissioner for Refugees [UNHCR], the Zambian Government confirmed that she decided to defect on her own free will. The ROK Foreign Ministry noted that the investigation by the UNHCR is aimed at enhancing the objective nature in the course of the confirmation. Nevertheless, North Korea is adhering to disturbance maneuvers in the course of the confirmation by the UNHCR while claiming that she was abducted.

After it is confirmed that she defected on her own free will, it will be decided where she will go. The ROK Foreign Ministry said that "Mrs. Choe envied the ROK society." Thus, she will likely defect to the ROK. After the place of the defection is established, it will be decided when she will fly into the ROK. The Foreign Ministry said that "close discussions are underway with the relevant government," thus suggesting that Mrs. Choe's defection to the ROK will take place soon.

List of Major North Korean Defectors Since 1994

Date	Name	Title, Relations
February 1994	Chong Ki-hae	deputy to People's Assembly
March	Yi Chung-kuk	worked in biochemical defense department in General Staff
April	Yo Man-chol	captain in Public Security Ministry
May	Kang Myong-to	vice president of Nungyong-Yunjon Joint-Venture Company, son-in-law of DPRK Premier Kang Song-san
July	Cho Myong-chol	Professor of Kim Il-song University
October 1995	Choe Chu-hwal	Colonel in North Korean Army

Date	Name	Title, Relations
December	Choe Se-ung	President of European Chapter of Taesong General Bureau
December	Choe Tong-chol	A Kim Il-song University dropout

DPRK Plaza To Promote External Economic Cooperation

SK2101104596 Seoul HANGYORE SINMUN
in Korean 21 Jan 96 p 1

[By Yi Kil-u from Beijing]

[FBIS Translated Text] It has been learned that North Korea has started to implement this year new guidelines to promote external economic cooperation by abolishing the system that requires North Korean businessmen to obtain authorization and be subjected to supervision by the North Korean Embassy when they contact foreign companies overseas, including ROK companies.

According to a source in Beijing, who specializes in North Korean affairs, on 20 January, a North Korean official stated that through a letter of instruction issued by Secretary Kim Chong-il, North Korea recently fully abolished the system that requires North Korean businessmen to obtain authorization and be subjected to supervision by the North Korean Embassy when they meet with foreign businessmen, saying that this has weakened their external economic activity.

The source stated that to activate external trade, North Korea decided to establish a permanent exhibition hall, as well as a trade consultation center overseas, and that accordingly, it opened a North Korean goods exhibition in Beijing on 19 January.

The source added that "during a closed-door meeting held at the end of last year, Secretary Kim Chong-il expressed great dissatisfaction with the delay in the development of the Najin-Sonbong district," and that "he gave orders to actively promote foreign companies to invest in the area."

The "Pyongyang Shop" with an area of 400 pyong [1 pyong equals 3.3 square meters], a North Korean permanent goods exhibition hall established near Chaoyang [as transliterated] Park in Beijing, is displaying and selling all kinds of North Korean goods such as pharmaceuticals, wines, clothing, ceramics, paintings, and books. Five female workers from Pyongyang work at the shop.

Mr. Kim Song-su, manager of the shop, stated that "we are now preparing a permanent exhibition hall with an

area of 4,000 pyong in the center of Beijing," and that "when this hall is completed next year, not only the goods exhibition, but also all kinds of trade meetings will take place in this building."

In addition, North Korea has reportedly changed its policy to allow its companies operating in China to independently manage their business activity, rather than carrying out their joint-venture businesses with China. Accordingly, North Korea has recently independently managed the "Yugyong Restaurant," a Korean restaurant formerly jointly operated with the Chinese enterprise "Beijon" [as transliterated].

Many DPRK Overseas Missions Reportedly Shut Down

SK2201050596 Seoul CHUNGANG ILBO in Korean
22 Jan 96 p 2

[By reporter Pae Myong-pok]

[FBIS Translated Text] The DPRK's overseas missions, particularly in Africa, are in a rush to shut down.

Last year alone, 12 of the DPRK's overseas missions were shut down. Two-thirds of these shutdowns were in Africa. Eight missions — including Cameroon, Congo, and Tunisia — were shut down. As of late 1990, there were 34 DPRK missions in the Africa region. As of late last year, there were only 16.

Since 1991 and the end of the Cold War, North Korea has begun to drastically reduce its overseas missions. In 1991, it closed down nine missions, including seven in Africa. In 1992 and 1993 two missions were closed respectively, and in 1994 only one mission was shut down. Thus, it seemed that North Korea was slowing down on shutting down its overseas missions, but since last year there has been a rush to close down its overseas missions.

A Foreign Ministry official has pointed out that "the rush to close down the DPRK's overseas missions emerged again last year. This is mainly because of difficulties in raising expenses to operate the missions due to lack of foreign currency. The closing down of the missions is the most concrete evidence of North Korea's economic crisis."

As of late last year, there were 55 permanent North Korean embassies, which falls far short of the 132 countries with which the DPRK has established diplomatic relations. It is known that sometime this year about seven to eight missions centering around Africa and the East European bloc will be shut down. In the case of the ROK, there are 141 overseas missions, including 97 embassies.

DPRK Leaders Said Increasingly Sending Children Overseas

SK2001000496 Seoul CHUNGANG ILBO in Korean
19 Jan 96 p 2

[FBIS Translated Text] With the heightened crisis in the North Korean system, the number of cases of high-ranking North Korean officials and figures in the special class sending their sons and daughters overseas is increasing. A relevant ROK Government official stated on 18 January that "the cases of Choe Su-pong, wife of Hyon Song-il, third secretary in the North Korean Embassy in Zambia, and Cha Song-kun, a North Korean taekwondo instructor, who recently defected to South Korea, are representative examples of this." He also pointed out that Cha Song-kun, in particular, came to Zambia to assume his official post with "a certificate of guarantee" [pojungso] that was personally signed by Kim Chong-il.

Daewoo Technicians Say DPRK Workers Undernourished

SK2001054596 Seoul CHUNGANG ILBO in Korean
20 Jan 96 p 2

[By reporter Choe Won-ki]

[FBIS Translated Text] A team of technicians from Daewoo Incorporated who recently returned to the ROK after visiting North Korea said that because North Korean workers skip lunch, they cannot work for two hours consecutively.

A five-man team of technicians who stayed in North Korea for a long period of time to give technical guidance, recently reviewed their life in North Korea and its internal situation in detail in the January edition of "Reunification Economy," published by the Hyundai Economic Society Institute. The following is the summary:

"While giving technical guidance, we could not talk to them about anything but matters regarding technology. Lunch time was from 1200 to 1400, but we felt that North Korean workers were not given lunch and it seemed that they were not able to work for two hours consecutively.

"After two hours passed, they became tired, lacked concentration, and became physically weak.

"The working hours for the North Korean workers were from 0500 to 1300. It seemed that this was in relation to North Korea's food situation, electricity situation, physical strength, and manpower. This being the case, who could work under these circumstances?"

DPRK Prevents Foreign Reporters From Covering Situation*SK2101073596 Seoul KBS-1 Radio Network in Korean 0600 GMT 21 Jan 96*

[FBIS Translated Text] It was revealed that recently the International Red Cross Federation promoted sending foreign reporters to North Korea to cover North Korea's food situation and inform it to the international society to create an atmosphere to assist the North, but this was rejected by North Korea.

An official of the ROK Red Cross Society said on 21 January that to widely inform North Korea's difficult food situation, the International Red Cross Federation promoted sending foreign reporters to North Korea to cover this, but that it was not realized due to North Korea's rejection. This official revealed that while it has requested assistance from the international society, in reality North Korea is avoiding informing the rest of the world of its food situation, thus is putting forth various preconditions.

ROK Finalizes Official Figure on DPRK Grain Output*SK0101045896 Seoul SEOUL SINMUN in Korean 1 Jan 96 p 2*

[FBIS Translated Text] The ROK Government's official estimate of North Korea's 1995 grain yield is 3.48 million tonnes, 15 percent lower than compared with 1994. On 31 December, the government concluded that North Korea's food shortage has been exaggerated, and will announce its official position early in the new year.

The Rural Development Administration, the official agency for assessing North Korea's food status, collected basic information on the crop growing period, sunshine duration, and seeding area—which are crop indexes—from the National Unification Board, the Meteorology Administration, and related departments. After a comprehensive study of this information, the Rural Development Administration published its "Estimate of the 1996 North Korean Food Supply" which concludes that the decrease is 15 percent.

DPRK 'Uncooperative Attitude' Impeding Inter-Korean Trade*SK0301104096 Seoul YONHAP in English 0710 GMT 3 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 3 (YONHAP) — North Korea's uncooperative attitude is impeding South Korean efforts to expand the current scope of inter-Korean cooperative efforts beyond the garment and sewing industry into the electronics field.

An official at Samsung Electro-Mechanics said Wednesday that it has sent production facilities for television speakers valued at 400,000 U.S. dollars to the communist country Nov. 3, but the North has not yet completed the installation process.

Samsung had originally planned to begin production in early December, but the North would not allow Samsung technicians to enter the country, insisting that they were unnecessary since the Stalinist country has the expertise required to manufacture this product, the official explained.

In spite of these assurances, the North has yet to finish the installation process, the official said.

Once the facility is operating at capacity it should be able to produce 200,000 speakers per month. Samsung hopes to manufacture 400,000 units this year, and 600,000 units in 1997, the official noted.

DPRK Decides To Open Waters Off Coast to ROK Fishing*SK2101134096 Seoul CHOSON ILBO in Korean 21 Jan 96 p 1*

[Report by Kim Hyon-ho]

[FBIS Translated Text] It was learned that North Korea decided to open the waters off the coast of the Najin-Sonbong region, a free economic and trade zone, to ROK fishing boats and allow them to fish and have free traffic.

Pang Chan-yong, chairman of Yusko Kazakhstan [as transliterated], a consultant company for investment in the Najin-Sonbong region and a special economic adviser to Kazakh President Nazarbayev, said: "The Haeyang Fisheries Cooperative of the Najin-Sonbong region and Yusko Kazakhstan signed a letter of intent on this project." He also said: "As a result, in order to visit North Korea and discuss procedures, officials of ROK fisheries companies have filed applications for approval with the National Unification Ministry." He said: "In the letter of intent, the Fisheries Cooperative of the Najin-Sonbong region expresses its intention to develop abundant fisheries resources off the coast."

It was also learned that North Korea would not allow ROK fishing boats to enter the waters off the coast of the Najin-Sonbong region directly after crossing the DMZ. Rather, ROK fishing boats should sail to the high seas in the East Sea [Sea of Japan] and then enter the North Korean territorial waters. Also, ROK fishing boats should inform North Korea of their entry into the North Korean territorial waters in advance, and, then, North Korean patrol boats will escort the ROK boats to the North Korean territorial waters and watch them fish.

It was also learned that North Korea wants to sign separate contracts with each ROK company, have North Korean fishermen work with ROK fishermen on ROK fishing boats, and divide the fish catch.

North Korea also hopes to build joint-venture fish processing plants in the Najin-Sonbong region with ROK companies and offer the Najin-Sonbong region as a base for ROK fisheries companies' deep-sea fishing. The waters off the coast of the Najin-Sonbong region has abundant reserves of Alaskan pollack, herring, and squid. However, North Korea's fish catch is declining because of its outdated fishing equipment and fuel shortage.

ROK Studies DPRK Proposal on World Cup

SK2101040596 Seoul THE KOREA TIMES in English
21 Jan 96 p 1

[FBIS Transcribed Text] The government will try to ascertain the true intention of North Korea while continuing efforts to host the 2002 World Cup independently although the North has proposed co-hosting the event through the International Football Federation.

On the North Korean proposal, it decided not to take any action such as offering inter-Korean talks of sports officials for the time being.

The government position was set at a meeting of related officials of the National Unification, Foreign and Culture-Sports Ministries yesterday.

"We will continue to strive to host the 2002 World Cup independently as we submitted an application on Sept. 30 last year to the FIFA to that effect and we are now competing with Japan to host the event," a government spokesman said.

The official, however, said that the government will open consultations with North Korea and FIFA for co-hosting the event if Pyongyang's proposal is confirmed to have been based on a goodwill.

"With four months still left until the FIFA decision on the World Cup venue, we have ample time to study the issue," the official said.

Culture-Sports Minister Kim Yong-su, meanwhile, also confirmed the government position yesterday.

"If the North formally makes a co-hosting proposal at the government level and if it is judged to be conducive to securing peace on the Korean Peninsula, there is no reason for the South to reject the offer," he told newsmen.

He recalled the fact that South Korea had already suggested the two Koreas co-host the World Cup at the early phase of its bid.

Political parties, meanwhile, expressed guarded welcome about the North Korean proposal.

The ruling New Korea Party expressed caution that the North Korean overture may be a scheme to derail South Korea's bid to host the world soccer festival.

NKP spokesman Son, Hak-kyu said, "Our party welcomes the North's proposal if it is well intentioned and based on goodwill. If realized, the co-hosting of the World Cup will help improve inter-Korean relations."

Pak Chi-won, spokesman of the main opposition National Congress for New Politics, welcomed the North Korean overture, saying, "The co-hosting of the World Cup will contribute to inter-Korean reconciliation and cooperation."

Rep. Yi Kyu-taek, spokesman of the Democratic Party, said, "We'd like to interpret the North's proposal as purely motivated even though there is widespread suspicion about its true intention."

ROK Dailies on DPRK Proposal To Cohost World Cup

SK2101063896

[FBIS Editorial Report] The following is a compilation of editorials carried in the Seoul vernacular newspapers on 21 January on the DPRK sounding out the Federation of International Football Associations [FIFA] on the possibility of the DPRK co-hosting the 2002 World Cup with the ROK.

HANGUK ILBO carries on page 3 an 800-word editorial titled "We Wonder About the True Motivations Behind the Offer To Co-Host [the World Cup]." The editorial starts off by welcoming the North's proposal to co-host the World Cup but is also "suspicious about its true intentions." It then says such a proposal may have been made out of moves to "escape international isolation and solve its economic crisis," but if its true intention is just to co-host the World Cup, North Korea should have consulted with the ROK first. While recollecting the fact that negotiations to co-host the 1988 Seoul Olympics were ruptured during the final round of negotiations, the editorial expresses concerns that the purpose of the North's proposal is to thwart our efforts to host the World Cup since we have become the favorites to host the the World Cup. The editorial continues, expressing the worry that time is running out and many problems must be overcome if South and North Korea are to co-host the World Cup. The editorial concludes by saying the government must cool-headedly deal with this matter, and whatever North Korea's intention is, we must make every effort to host the upcoming World Cup.

CHUNGANG ILBO carries on page 4 a 700-word editorial titled "Co- Hosting of the World Cup — Expectations and Cautions." The editorial starts off by welcoming the North's proposal to co-host the World Cup because "it will not only contribute to exchanges between the South and North and national harmony, but will be of great help in the competition with Japan to host the World Cup." The editorial says, however, that we must discern the true intention of this proposal by the North, and there is worry that it may be a scheme to ultimately wreck our bid to host the World Cup. The editorial concludes that whatever the case, if North Korea truly has the intention of co-hosting the World Cup, it is worth discussing this matter.

HANGYORE SINMUN carries on page 3 an 800-word editorial titled "Desirable 'Co-Hosting of the World Cup.'" The editorial starts off by noting that recently North Korea has been showing "great changes" such as applying to participate in the Atlanta Olympics and then conveying to FIFA that it wants to co-host the 2002 World Cup. The editorial then elaborates on the difficult situation facing North Korea internally as well as externally, and notes that this may be a move to return to the international sports circle and carry out exchanges with the South. The editorial concludes by saying that if FIFA recognizes that co-hosting of the World Cup by the South and North will greatly contribute to world peace, we can anticipate that FIFA will allow us to co-host the World Cup, thus, "South and North Korea must hold dialogue as soon as possible to achieve good results."

TONG-A ILBO carries on page 3 an 800-word editorial titled "New Variable in Hosting the World Cup." The editorial starts off by wondering what North Korea's true intentions are in offering to co- host the World Cup. The editorial then goes on to say that North Korea must prove that its proposal comes from a "pure motive," stressing that the North must respond to South-North sports talks. It continues to note that if the World Cup is hosted by the South and North, it will be inevitable for North Korea to open up, and be an opportunity to improve South-North relations. On the other hand, the editorial notes that the purpose of this proposal by the North may be to wreck the ROK's bid to host the World Cup. The editorial once again emphasizes the need to determine the true intentions of North Korea, and if it truly wants to co-host the World Cup, it should consult with the South first. The editorial concludes by noting that the government must work to find out what North Korea's true intentions are, and work so that there will be no setbacks in working to host the upcoming World Cup.

ROK Decides To Accommodate Taiwan Demand in Air Talks

SK2101043296 Seoul THE KOREA TIMES in English
21 Jan 96 p 3

[By staff reporter O Yong-chin]

[FBIS Transcribed Text] Korea has decided to accommodate a key demand by Taiwan on its "territorial sovereignty" issue to push stalled negotiations to resume regular flights between Seoul and Taipei.

Flights between the two cities were suspended following Korea's diplomatic switch to China in 1992.

According to a source at the Construction and Transportation Ministry yesterday, it was decided that Korea will allow Taiwan to refer to the area it claims to be its own as "territory." Thus far, Korea insisted on the term "area" being used in the bilateral aviation agreement in consideration of China's reactions.

"Territory" is by international aviation norms a term that recognizes sovereignty. If this term is used in reference to Taiwan in the aviation agreement, it may contradict China's avowed view that Taiwan is its rebel province.

The source said that Korea will propose striking out the definition of territory from their bilateral aviation agreement.

The definition is in the preamble of an aviation agreement that is written on the basis of the 1944 Chicago Convention on International Civil Aviation.

Korea and Taiwan had an unofficial and non-governmental level meeting last year in Taipei, the first contact since their diplomatic ties were severed in August 1992.

The meeting was wrapped up without a second meeting being scheduled due to differences. Taiwan wanted to extract as much recognition of its statehood as possible from Korea, while Korea needed to accommodate the other's demand without contradicting its pledge to recognize mainland China as the only sovereignty representing all China.

But by allowing the use of the term "territory," Korea hopes to push the stalled talks with Taiwan and reopen regular flights between the two.

Airline watchers say that the aviation talks between the two countries may resume after April when key elections in both countries are completed.

It is said that the national carriers of the two countries are losing tens of millions of dollars every year as passengers use alternative airlines for their trip between

Seoul and Taipei, with lost tourism revenues amounting to even more.

Russia Seeks ROK Intellectual Property Rights Accord

SK2101143396 Seoul CHUNGANG ILBO in Korean
21 Jan 96 p 1

[FBIS Translated Text] It was learned on 20 January that Russia recently strongly requested that a separate agreement on intellectual property rights be signed between Russia and the ROK.

It is believed that Russia has made this request to prevent a drain of Russian high technology and brains. Therefore, it is expected that a diplomatic dispute will arise between Russia and the ROK over the transfer of Russian technology. An ROK Foreign Ministry spokesman said: "Russia strongly requested that, apart from the scientific and technological cooperation agreement signed in 1990 between Russia and ROK, a separate agreement be signed stipulating the protection of Russian intellectual property rights." He also said: "In particular, Russia is vigilant against the possibility that ROK companies operating in Moscow acquire Russian brains and high technology without consulting Russian authorities."

ROK Foreign Ministry Official on Bosnia 'Security' Support

SK2001040696 Seoul KYONGHYANG SINMUN
in Korean 20 Jan 96 p 1

[Report by Yi Sung-chol]

[FBIS Translated Text] As one of the steps in implementing the Bosnian peace agreement, the United States has asked the ROK to support security activities in Bosnia.

A Foreign Ministry official said on 19 January: "The United States made the proposal on 18 January at a bilateral meeting on UN affairs. The United States asked for the ROK's support in the International Police Task Force activities [IPTF]." In December 1995, the UN General Assembly adopted a resolution to form the IPTF, which will be in charge of security in Bosnia until a legitimate government is established in the country through elections.

The Foreign Ministry official said: "We expect the United Nations will soon give us more details on the ROK's participation. The ROK Government will examine the feasibility after receiving a formal request from the United Nations."

The official added: "We have no idea at this point whether the United Nations will ask for troops or

financial aid," but he did not rule out the possibility of sending ROK troops.

Al-Qadhdhafi Asks ROK To Help Ease Sanctions on Libya

SK2001035296 Seoul SEOUL SINMUN in Korean
19 Jan 96 p 4

[Report by Yi To-un]

[FBIS Translated Text] A high-ranking Foreign Ministry official said on 18 January that Libyan Leader Al-Qadhdhafi has sent a letter to the ROK Government asking the ROK "to exercise influence on U.S. President Clinton to ease the international community's sanctions on Libya." This reflects the ROK's enhanced diplomatic position after it won nonpermanent membership on the UN Security Council.

In the letter, Al-Qadhdhafi said: "Libya's economy is becoming more difficult due to various sanctions of the international community imposed through the United Nations. I fear this will affect ROK companies, including Tong-a Construction Company, which is building waterways in Libya. Please explain Libya's situation when you have an opportunity to meet with President Clinton of the United States, which is an ally of the ROK."

In connection with Al-Qadhdhafi's official letter, the Libyan Government will send Minister Al-Tali [name as transliterated], head of the waterway construction project, to Seoul on 19 January to meet with ROK officials and request ROK cooperation in solving Libya's problems.

According to a high-ranking ROK Government official, in addition to Libya, Somalia and Iraq have also made similar requests to the ROK.

A government official explained that, instead of handling Al-Qadhdhafi's official letter as a bilateral issue between Libya and the ROK, or a tripartite issue between Libya, the ROK, and the United States, the ROK Government's policy is to seek a resolution within the UN Security Council.

Tong-a Construction Company is working on a \$20.3-billion waterway construction project in Libya. Hyundai has investments in the petrochemical field, and Daewoo in the housing, road, and construction fields.

Libya is believed to be behind the bombing of a local airport in Scotland in 1988. Since then, the United Nations has imposed sanctions by prohibiting the landing and take-off of civilian aircraft in Libya, reducing diplomatic missions in Libya, and restricting the area within which Libyan diplomats may operate.

ROK President Sends Congratulations to Yasir 'Arafat*SK2201111296 Seoul YONHAP in English
1059 GMT 22 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 22 (YONHAP) — President Kim Yong-sam on Monday afternoon sent a message to Yasir 'Arafat, chairman of the Palestine Liberation Organization (PLO), congratulating him on his recent election as the head of the Palestine Autonomous Government.

In the cable, President Kim said he was extending his heartfelt congratulations to him on the election with landslide support among the Palestine people.

The president said he is sure that the election would serve as a base on which the Palestine people would attain constitutional rights and on which lasting peace would be fostered in the Middle East area.

ROK Welcomes Outcome of Palestine Elections*SK2201073096 Seoul YONHAP in English
0703 GMT 22 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 22 (YONHAP) — South Korea welcomed Monday the outcome of the election of the Palestine Council and the president of the Palestine authority, the governing body of Palestine's West Bank and Gaza Strip recently liberated from the control of Israel under a peace accord.

"The Government of the Republic of Korea hopes that the success of the election, further accelerating the Middle East peace process, will lead to a lasting and comprehensive peace in the region," a statement released by the Foreign Ministry said.

The statement also welcomed that "the election was carried out in a peaceful and democratic way."

"The Government of the Republic of Korea, recognizing that the enhancement of individual welfare through economic development is a shortcut to the accomplishment of a true peace, has been participating in the international efforts to support economic rehabilitation in the Palestinian self-rule area and will continue to do so," the statement said.

ROK Navy Begins Operation To Detect Illegal Immigrants*SK2101042996 Seoul THE KOREA TIMES in English
21 Jan 21 Jan 96 p 3*

[FBIS Transcribed Text] Chinhae — The Navy has kicked off an intensive operation to detect vessels carrying foreigners seeking to enter South Korea illegally by sea.

The special naval action is to deter the flow of stowaways into the country, which are sharply increasing these days, a Navy spokesman said yesterday.

A total of 19 cases of stowaways mostly ethnic Koreans from China were caught last year, 13 on ships off the west coast and six on ships off the south coast. This was nearly four times the number captured the previous year.

"In light of the possible infiltration of North Korean agents disguised as stowaways, the Navy will mobilize all available manpower and vessels in a vigilant stow-away reduction campaign," the spokesman said.

Foreign Agricultural Products Register Low ROK Sales*SK0101043496 Seoul THE KOREA TIMES in English
1 Jan 96 p 8*

[FBIS Transcribed Text] Last year, the first since the opening of the domestic market to foreign agricultural and fishing products, did not see widespread sales here.

The foreign products which included oranges, chickens, dried anchovies and honey did not sell very well because consumers preferred domestic products, according to related industry sources.

Oranges imported from the United States, for example, saw a drop in their wholesale market price by more than 10 percent since September of last year. Of the total 15,258 ton import quota for oranges, 13,817 tons came from the U.S..

The price for U.S. oranges was 95,000 won (some 120 dollars) per 18 kg-box when they were first imported last year. But demand for them decreased sharply amid a report last May that they contained pesticides with the end result being that the bidding price for the oranges fell to 40,000 won per box. Due to the increase in stock, bidding for the fruit was discontinued in June last year.

The price for the U.S. oranges dropped further to 10,000 in September and 9,000 won in October.

Thanks to the cheap price of domestic chicken, Korea did not import the minimum market access (MMA) amount of foreign poultry last year which was set at 7,700 tons.

By the end of November 1995 only 5,515 tons of chicken were imported.

The plan was to realize the import quota by the end of last July to stabilize chicken prices ahead of the booming summer demand.

The reason for the unpopularity of foreign chicken was attributed to the reluctance among poultry importers

to bring them into Korea due to the cheaper price of domestic chicken and the perceived low quality of frozen chicken compared to domestic ones.

Dried imported anchovies were also unpopular among consumers here.

The National Fisheries Administration (NFA) imported 17.4 tons of dried anchovies from Malaysia last October. But the sale of them was sluggish.

ROK High Prosecution Turns Down Perjury Complaint

SK0401033896 Seoul YONHAP in English
0230 GMT 4 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 4 (YONHAP) — The Seoul High Prosecutor's Office turned down an appeal filed by a group of "pro-democratization lawyers" in protest of a lower prosecution office's decision to not indict those who allegedly gave false testimony to the National Assembly.

The high prosecutor's office said that the Seoul District Prosecutor's refusal to file perjury charges was justified in view that by law the complaint must be made by the National Assembly itself.

Last July the lawyers group accused former President Chon Tu-hwan and six others who testified before the National Assembly's Kwangju special committee hearing in 1988 and 1989, of perjury.

The Seoul District Prosecution decided last November that the lawyers' motion did not meet the legal requirements for a complaint. This prompted them to appeal the decision to the high prosecutor on Nov. 25.

The High Prosecutor's Office cited the 15th clause of the "law on the testimony and appraisal before the National Assembly," which says "in the event that witnesses make false testimony or appraisal, the speaker of the National Assembly or chairman of the permanent committee concerned should accuse them."

"So we cannot prosecute them in response to accusations made by the lawyers' group," a prosecutor said.

ROK's Chon Tu-hwan Files New Petition With Court

SK2101031796 Seoul YONHAP in English
0229 GMT 21 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 21 (YONHAP) — Imprisoned former President Chon Tu-hwan and dozens of his cronies being prosecuted for involvement in the Dec. 12 and May 18 incidents filed a new petition with the Constitutional Court Saturday, claiming that

the prosecution's reinvestigation into their roles in the two incidents is "unconstitutional."

The prosecution, reversing the decision last year not to bring an indictment against the petitioners for their roles in the two incidents, restarted late last year legal proceedings against them on charges of military mutiny and insurrection, and this runs counter to the principle of not reopening a closed case, they asserted.

Meanwhile, the Constitutional Court started the day examining another appeal filed by Chon and others for making a decision on whether or not the May 18 special law which paved the way for the prosecution to reinvestigate the Dec. 12 and May 18 incidents is constitutional.

ROK Ministry Reports 1995 Energy Import Figures

SK0301034296 Seoul YONHAP in English
0020 GMT 3 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 3 (YONHAP) — South Korea's energy imports reached 17,465 million U.S. dollars in value last year, up 14.4 percent from 1994, the Trade, Industry and Energy Ministry said Wednesday.

The relatively higher increase rate, compared to 0.8 percent recorded a year before, was caused by a sharp rise in international crude oil prices, the ministry explained.

Such energy imports accounted for 15.2 percent of the country's total imports last year, up from 14.9 percent in 1994.

Crude oil imports amounted to 14.1 billion dollars, up 13.9 percent from 1994, while bituminous coal imports reached 1.9 billion dollars, up 10.7 percent from a year earlier.

Imports of liquefied natural gas (LNG) soared 29.7 percent from 1994 to 1,198 million dollars last year.

ROK Oil Tax Linked to Volume Versus Ex-Factory Price

SK0401051596 Seoul THE KOREA TIMES in English
4 Jan 96 p 9

[FBIS Transcribed Text] Beginning this week, the oil tax will be linked to volume, not the ex-factory price.

Thus, the oil tax will be collected at a fixed amount per liter or kilogram, instead of the previous ad valorem duty (taxation according to price), the Ministry of Finance and Economy said yesterday.

It said that the change in the taxation format is aimed at helping the government collect tax on a stable basis, regardless of fluctuations in international oil prices.

Due to the deregulation of oil prices, the government has been unable to estimate the exact amount of tax it can collect from oil. Government officials said the exact estimation of oil tax revenue is crucial because it is used for modernizing the education system and the social infrastructure system.

Under the new tax format, gasoline tax will be fixed at 345 won per liter, and the old ad valorem duty of 195 percent on ex-factory gasoline prices will be ended.

The tax on diesel and kerosene will be 40 won per liter and 17 won per liter, respectively, instead of the previous 26 percent and 10 percent of ex-factory prices, respectively.

The ministry said the tax on LPG [liquefied petroleum gas] and LNG [liquefied natural gas] will be 18 won and 14 won per kilogram, respectively. Previously, a 10 percent tax on the ex-factory price of LPG and LNG was levied.

ROK 'Shedding Interventionist Stance' on Economy
SK2101050996 Seoul THE KOREA TIMES in English
21 Jan 96 p 9

[By Staff Reporter Yi Chang-sop: "Government Making U-Turn in Industrial Policy — Shedding Interventionist Stance"]

[FBIS Transcribed Text] Policymakers have made it clear that the government will no longer intervene in deciding the fate of private firms.

Deputy Premier-Finance and Economy Minister Yi Hwan-kyon told reporters Friday that it is the government's policy not to meddle in individual companies. No tax and financial tools will be mobilized to keep ailing firms afloat, he said.

Kim Yong-sop, assistant finance and economy minister in charge of financial policy, said, "The government's role is to stabilize the economy, and the financial market, not to give instructions to banks about the future of their clients."

These remarks reflect a complete U-turn from the government's heavy-handed interventionist policies of the past. Up until the 1980s, the government would not let any of the big firms fall, at least none of those ranked among the 50 largest conglomerates.

The government's rationale was not to upset the economy or tarnish Korea's image overseas. In the process, money was changed hands under the table between busi-

ness tycoons and those in power, according to prosecutors.

In the mid-1980s, more than 70 overseas construction firms and shipping companies benefited from this "industrial rationalization" policy. None of them went bust. Instead, ailing firms were turned over to healthy companies.

The government printed money to give "seed money" to firms taking over troubled companies. It abused tax and financial incentives to restructure the industry. Banks were the biggest victims of government-dictated corporate mergers.

Now policymakers are airing views quite opposite to the rationale they espoused in the 1980s. The fate of any individual firm must be decided by market forces. The government should not abuse tax and financial tools to bail out troubled companies. Any artificial attempt to save ailing firms would delay the ongoing structural adjustment of the economy.

Furthermore, the government of the day does not want to get a reputation for granting of "special favors" by becoming deeply engaged in the affairs of private companies.

Deputy Premier-Finance and Economy Minister Na Ung-pae said repeatedly that economic policy would be implemented without political interference.

This philosophy was applied in deciding Usong's fate, his lieutenants said.

The government's apparent change of heart will send a clear message to the business community, especially to tycoons of the major business groups. Any firm, regardless of its size, should not expect paternalistic assistance from the government if bad management leads to financial woes, a Ministry of Finance and Economy official said.

Despite repeated warnings, major conglomerates rushed to expand through heavy borrowing, regardless of profitability prospects.

He added that local financial firms should no longer sacrifice themselves to save troubled companies.

Yi Yun-chae, director general in charge of banking affairs at the Ministry of Finance and Economy, said: "We must tolerate pain in our move from a government-controlled economy to a private-initiated, market oriented economy."

He indicated that the government's hands-off policy will not be limited only to the fate of industrial companies. Financial institutions, including banks, might face the

same response from the government unless they are profitably managed.

The government said it will launch the Deposit Insurance Corporation in June to protect depositors from the potential collapse of banks. The corporation will also work as an arranger of buyouts of ailing banks by healthier ones.

The corporation might lend money to healthy banks taking over troubled banks, but it will not, under any circumstances, inject money into troubled banks, says the announcement.

Burma**Burmese SLORC Chairman Than Shwe Returns From PRC**

BK1301103596 Rangoon Radio Myanmar in Burmese 0630 GMT 13 Jan 96

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], and his wife Daw Kyaing Kyaing arrived back at the Yangon [Rangoon] International Airport aboard a special plane from the PRC at 1040 today after paying a goodwill visit at the invitation of the PRC Government and leaders.

Sr. Gen. Than Shwe and Daw Kyaing Kyaing were welcomed at the airport by General Maung Aye, vice chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army, and his wife; Lieutenant General Tin U, secretary-2 of the SLORC, and his wife; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, SLORC members and deputy prime ministers, and their wives; SLORC members and their wives; cabinet ministers and their wives; senior military officers; U Nyunt Swe, deputy minister of foreign affairs; heads of departments; Mr. Valeri V. Nazarov, head of the diplomatic corps in Myanmar and ambassador of the Russian Federation; ambassadors and charge d'affaires of the embassies; resident representatives of the UN organizations and their wives; Mr. Yu Tieggen, charge d'affaires of the Chinese Embassy, and embassy staff.

Lt. Gen. Khin Nyunt, secretary-1 of the SLORC, and his wife; Brigadier General Abel, minister of national planning and economic development; U Ohn Gyaw, minister of foreign affairs, and his wife; Major General Aye Kyaw, minister of information; Maj. Gen. Saw Tun, minister of construction; Maj. Gen. Kyaw Than, minister of industry- 2; Brig. Gen. Tin Ngwe, commander of the Northeast Military Command; and responsible personnel of the SLORC Office, Defense Ministry, and Foreign Ministry who accompanied Sr. Gen. Than Shwe and Daw Kyaing Kyaing also returned to Yangon today.

Burma's Suu Kyi Sends Message to Democracy Convention

BK0701121196 (Internet) BurmaNet News in English 6 Jan 96

[Message from Burmese opposition leader Aung San Suu Kyi to the International Convention for the Restora-

tion of Democracy in Burma, which opened in New Delhi on 4 January]

[FBIS Transcribed Text] It is most appropriate that this International Convention for the Restoration of Democracy in Burma should take place anniversary of Burmese Independence, forty-eight years ago to this day Burma became a sovereign independent nation as result of the combined effort of all her peoples. [sentence as received] The greatest lesson that the struggle for independence taught us was that nothing of national significance could be achieved without the wholehearted participation of all those whose fates are linked to the dignity of the nation.

Burma took her place in the family of independent nation as a democratic state, aware of its obligations to its own people as well as to the rest of the world. The founding fathers of independent Burma understood that self-government alone was not enough: there was a clear perception of the people and accepts the duties due to a member of the international community.

A resolution proposed by my father U Aung San on 16 June 1947 in the Constituent Assembly encapsulated the hope of the people of the Burma for a state sustained by democratic values that would enable them to live in freedom and dignity. The salient points of the resolution, as relevant today as they were then, are as follows.

— all powers and authority of the sovereign independent Republic of Burma, its constituent parts and organs of government shall be derived from the people...

— the constitution shall guarantee and secure to all the peoples of Union justice, social, economic and political; equality of status, of opportunity, and before the law freedom of thought, expression, belief, worship, subject to law and public morality...

— this historic land of Burma shall attain its rightful and honored place in the world, make its full and willing contribution to the advancement and welfare of mankind and affirm its devotion to the ideal of peace and friendly cooperation amongst nations founded on international justice and morality.

The aspiration of those who dedicated their lives to building an independent Burma are at one with the hopes of all of us now striving to establish in Burma a genuine democratic system that will guarantee to the people all basic human rights as recognized by the United Nations. While it cannot be doubted that our principle strength lies in the resolve of our own people, we are fully aware that in the world today all nations are indissoluble linked by myriad ties. We welcome warmly the support and ethical values.

It is particularly heartening for us that this International Convention should be held in India, the world's largest democracy. It is also most heartening that the chairman of the Convention is Mr. George Fernandes [former industry minister], a man widely respected for his efforts in the field of social and political justice. It is my belief that this Convention will promote a better understanding of the situation in Burma and help to formulate truly constructive policies that will contribute towards the full implementation of successive resolutions adopted by the United Nations General Assembly calling for the restoration in Burma.

I would like to take this opportunity to say to Burmese students and other colleges who have abandoned the comforts of home to engage in the struggle for democracy: the way ahead for us maybe hard but we shall surely prevail; there will certainly come the moment for which we have all been striving, the time when we are all united once again in freedom and triumph in our land.

May I end this message with an expression of deeply felt gratitude to Mr. Fernandes, the members of Convention Committee and to our many Indian friends for their endeavours in the interests of democracy in Burma. I wish the occasion every possible success. Thank You.

Burmese Panel of Chairmen Gives Reports on Legislature

BK1001161796 Rangoon TV Myanmar Network in Burmese 1330 GMT 10 Jan 96

[FBIS Translated Text] The plenary session of the National Convention reconvened at 0900 today at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon].

The session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission [NCCC]; Lt. Gen. Maung Thint and Brigadier General Myo Thant, vice chairmen of the NCCC, and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC]; U Tha Dun, vice chairman of the NCCWC, and committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee, and committee members; National Convention delegates; and local and foreign journalists.

U Tin Maung Kyaw of the peasants delegates group acted as alternate chairman. Dr. Thaung Myint, a member of the NCCWC, U Lei Kwe Gin of the Shan State Kokang Democratic Party, U Maung Gyi of the Union Pa-O National Organization, U Kyi Nyunt of the national races delegates group, U Bo Myint of the workers delegates group, U Hla Myint of the

intelligentsia and intellectuals delegates group, U Arnt Maung of the civil service personnel delegates group, and U Ko of the special invitees delegates group acted as members of the Panel of Chairmen. U Ko Ko Gyi, director of planning at the NCCWC Office, acted as secretary of the meeting.

First, the secretary of the meeting announced the validity of the session as 491 of the 590 eligible delegates attended the meeting.

Next, the collective report of the panel of chairmen concerning the delegates' proposals to prescribe the detailed basic principles to organize the chapter on legislature that will be included in the formulation of the state constitution were presented. Alternate Chairman U Tin Maung Kyaw presented the Panel of Chairmen's report from page 420 to page 441 while Panel of Chairmen Member U Bo Myint presented pages 442 to 463. The plenary session was temporarily adjourned at 0950. When the session resumed at 1005, Panel of Chairmen member U Hla Myint presented the report from page 463 to page 482, while Panel of Chairmen Member U Arnt Maung reported from page 483 to page 504. The meeting recessed at 1050.

When the afternoon session resumed at 1150, Panel of Chairmen Member U Ko presented pages 504 to 531, Dr. Thaung Myint read from page 531 to page 544, Member U Maung Gyi reported from page 545 to page 560, and U Kyi Nyunt presented pages 560 to 574. The plenary session ended at 1305 after deciding to hold the next session at 0900 tomorrow.

Burmese Panel Presents Reports on Executive Chapter

BK1101154296 Rangoon TV Myanmar Network in Burmese 1330 GMT 11 Jan 96

[FBIS Translated Text] The plenary session of the National Convention continued at 0900 today at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon].

The session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission [NCCC]; Lt. Gen. Maung Thint and Brigadier General Myo Thant, vice chairmen of the NCCC, and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC]; U Tha Dun, vice chairman of the NCCWC, and committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee, and committee members; National Convention delegates; and local and foreign journalists.

Acting as alternate chairman was U Bo Myint of the workers delegates group, while acting as members of the Panel of Chairmen were Dr. Thaung Myint, a member of the NCCWC; U Lei Kwe Gin of the Shan State Kokang Democratic Party, U Maung Gyi of the Union Pa-O National Organization, U Kyi Nyunt of the national races delegates group, U Tin Maung Kyaw of the peasants delegates group, U Hla Myint of the intelligentsia and intellectuals delegates group, U Arnt Maung of the civil service personnel delegates group, and U Ko of the special invitees delegates group. U Ko Ko Gyi, director of planning at the NCCWC Office, acted as secretary of the meeting.

First, the secretary of the meeting announced the validity of the session as 490 of 590 eligible delegates attended the meeting.

Next, the collective report of the panel of chairmen on the delegates' proposals to prescribe the detailed basic principles to organize the executive chapter to be included in the formulation of the state constitution were presented. First, the Panel of Chairmen's report on proposals for the formation of the Union Government, the presidential authority on allocating ministries and ministers, the qualifications of ministers, and the appointment of ministers and deputy ministers were presented by Alternate Chairman U Bo Myint from page 1 to page 27, while Panel of Chairmen Member U Hla Myint made his presentation from page 28 to page 55. The plenary session took a short break at 0955. When the session resumed at 1010, Panel of Chairmen Member U Arnt Maung presented the report from page 56 to page 84, while Panel of Chairmen Member U Ko reported from page 85 to page 118. The meeting recessed at 1110.

When the afternoon session resumed at 1210, the Panel of Chairmen's report on proposals on the defamation of a minister, the term of office of ministers and deputy ministers, resignation, the removal from office, vacancy, and substitute appointment were presented by Panel of Chairmen Member Dr. Thaung Myint from page 119 to page 150, while U Maung Gyi read from page 151 to page 183. The meeting took a short break at 1315.

When the session resumed at 1345, the Panel of Chairmen's report on proposals on use of attorney general, appointment, defamation, the appointment of vice attorney general, terms of office of attorney general and vice attorney general, resignation, removal from office, vacancy, and substitution were presented by Member U Kyi Nyunt from page 184 to page 211, and by U Tin Maung Kyaw from page 212 to page 233. The plenary session ended at 1435 after deciding to hold the next session at 0900 tomorrow.

Burmese Panel of Chairmen on Executive Chapter Results

BK1301133196 Rangoon TV Myanmar Network in Burmese 1330 GMT 12 Jan 96

[FBIS Translated Text] The plenary session of the National Convention continued at 0900 today at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon].

The session was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission [NCCC]; Lt. Gen. Maung Thint and Brigadier General Myo Thant, vice chairmen of the NCCC, and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC]; U Tha Dun, vice chairman of the NCCWC, and committee members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee, and committee members; National Convention delegates; and local and foreign journalists.

At the meeting, U Hla Myint of the intelligentsia and intellectuals delegates group acted as alternate chairman while Dr. Thaung Myint, a member of the NCCWC; U Lei Kwe Gin of the Shan State Kokang Democratic Party, U Maung Gyi of the Union Pa-O National Organization, U Kyi Nyunt of the national races delegates group, U Tin Maung Kyaw of the peasants delegates group, U Bo Myint of the workers delegates group, U Arnt Maung of the civil service personnel delegates group, and U Ko of the special invitees delegates group acted as members of the Panel of Chairmen. U Ko Ko Gyi, director of planning at the NCCWC Office, acted as secretary of the meeting.

First, the secretary of the meeting announced the validity of the session as 486 of the 590 eligible delegates attended the meeting.

Next, Alternate Chairman U Hla Myint read and presented the Panel of Chairmen's findings on the proposals on nomenclature for the union attorney general; appointment and impeachment of the union attorney general; appointment and responsibility of the deputy attorney general; terms of office, resignation, and terminating the services of the union attorney general and deputy attorney general; appointment to the vacancies; naming the state auditor general as union auditor general; appointment and impeachment of the union auditor general; appointment of the deputy auditor general; terms of office, resignation, and terminating the services of the union auditor general and deputy auditor general; and appointment to the vacancies that were submitted by the delegate groups and certain delegates to prescribe the detailed basic principles to organize the executive

chapter that will be included in the formulation of the state constitution. U Hla Myint read and presented the Panel's findings from page 234 to page 261 while U Arnt Maung, member of the Panel of Chairmen, read and presented the Panel's findings on the same subject from pages 262 to 288. The session was temporarily adjourned at 0955.

When the plenary session resumed at 1010, U Ko, member of the Panel of Chairmen, read and presented the Panel's findings on the same subject from page 289 to page 320 while Dr. Thaung Myint, member of the Panel of Chairmen, read and presented the Panel's findings from page 321 to page 357 on the proposals on formation of union civil service board. The session took a short break at 1120.

When the session resumed at 1220, U Maung Gyi, member of the Panel of Chairmen, read and presented the Panel's findings from page 358 to page 384 on the proposals on formation of union civil service board while U Kyi Nyunt, member of the Panel of Chairmen, read and presented the Panel's findings from pages 385 to 413 on the proposals on formation of region or state government; and appointment and responsibility of the chief minister of the region or state, and ministers of the region or state. The meeting took a short recess at 1315.

When the session resumed at 1345, the Panel's findings on the proposals on above-mentioned topics were presented. U Tin Maung Kyaw, member of the Panel of Chairmen, read and presented the findings from pages 414 to 446 while U Bo Myint, member of the Panel of Chairmen, read and presented the findings from page 447 to page 476. After the presentations, the secretary of the meeting announced that the plenary session of the National Convention would continue on 15 January. The session ended at 1445.

Burmese NLD Official on Detention of Members, Dancers

BK1101133996 London BBC in Burmese to Burma 1345 GMT 10 Jan 96

[Report on BBC telephone interview with Win Htain, internal affairs liaison officer of the National League for Democracy]

[FBIS Translated Text] Following a report that some members of a dance troupe and members of the NLD [National League for Democracy] had been arrested in Mandalay after their performance at the Independence Day funfair on 4 January in the compound of Aung San Suu Kyi's residence, the BBC conducted a telephone interview with U Win Htain, internal affairs liaison officer of the NLD.

At the time of the initial report, it was learned that eight persons have been arrested, though U Win Htain said the figure was nine. According to the latest news received a few minutes ago, two more had been arrested, bringing the total number to 11.

U Win Htain explained the matter as follows:

[Begin recording] [Win Htain] Some of those arrested were NLD members, but many were members of a dance troupe; female and male performers, the manager, and an organizer from the NLD. The dance troupe is called Myo Win Mar Anyein troupe. They are also called Our Own Way.

[Unidentified BBC correspondent] So, they are from Mandalay.

[Win Htain] Yes. The two female members were Daw Win Mar and Daw Hnin Pa Pa. The two comedians were U Par Par Lay and U Thu Daw. The others were U Khin Myint Hlaing, U Win Htay, U Sein Hla, U Htwe, U Than Htay. I understand that altogether there were nine. That is as much as I have learned.

[BBC correspondent] When were they arrested?

[Win Htain] Independence Day celebrations was held in the compound of Aung San Suu Kyi's residence on 4 January. Daw Win Mar and Daw Hnin Pa Pa performed dances and comedians U Pay Par Lay and U Thu Daw performed their acts. I presumed that it was related to that.

[BBC correspondent] Is it true that you yourself were taken in temporarily for interrogation before the Independence Day celebrations?

[Win Htain] I was taken in on 2 January and was released on the evening of 3 January.

[BBC correspondent] Can you tell us why you were taken in?

[Win Htain] I was taken in for interrogation in connection with the NLD's stance on the National Convention, our movements, and attitude of the youths and students. The main point of the interrogation was our intended program for Independence Day. I was asked whether I was in charge of organizing the program.

The regulation relating to staging performances, police regulations, and SLORC [State Law and Order Restoration Council] Declaration No. 2/88 [order banning public assembly of more than five persons] were read out to us. I was released after these rules and regulations were read out to me.

I told them that these rules and regulations are of no concern to me and that the decision to hold the

Independence Day celebrations at Aung San Suu Kyi's residence was a collective decision of the elders and that U Kyi Maung was assigned by the elders to organize the program. I explained to them that I was just a committee member.

[BBC correspondent] Did they tell you not to hold the Independence Day celebrations?

[Win Htain] I asked them whether it meant we could not hold the Independence Day celebrations. They said not quite so. They said it was up to me. I was taken in at 9 p.m. in front of the members of my family without any arrest warrant, police, or order. Then I was sent back quite casually. I did feel offended by it. You can say I was dissatisfied.

[BBC correspondent] Another report was that those who invited Aung San Suu Kyi to attend the Karen New Year celebrations were arrested. Is that true?

[Win Htain] Altogether four people, a patron of the new year celebrations committee and three NLD members, were arrested and detained for 12 days.

[BBC correspondent] So, they have been released.

[Win Htain] Yes, the name of the patron is U Mahn Htay Shein. Our NLD members were U Saw Tin Win from Pa-An, and NLD youth central committee members Ko Tin Tun U and Ko Myint Tun.

[BBC correspondent] How about a report that Aung San Suu Kyi was taken to the War Office for interrogation?

[Win Htain] It was for interrogation. Aung San Suu Kyi was requested to be there and we — the young members — went along and was there by 7 am. Responsible law and order restoration officers were present to raise the issue about the planned event at Arlein Ngar Zint in Insein [venue for Karen New Year celebrations]. Deputy commander Major Thura Myint Maung (?told us) at the Yangon [Rangoon] Military Command Headquarters that it was not a political event. Three senior members of the committee for holding Karen New year celebrations were summoned and they were asked to read out a type-written statement saying that political organizations would not be invited. Aung San Suu Kyi apologized the inconvenience caused to the committee members and handed them her new year message. They accepted the message. The aforementioned four persons were arrested without any arrest warrant and order. I was arrested in the same manner. You cannot sleep or eat as you please while under detention. It is an inconvenience for the detained, but not so for the one who detains.

[BBC correspondent] Has there been any reaction from the NLD to these illegal actions against its members?

[Win Htain] Our elders has formed a legal assistance committee led by U Tin U, chairman. The committee raised these cases as well as similar matters in other townships with the authorities concerned and the results have been effective. I presumed that we were released within 24 hours because of this. I also believe that the four were released after 12 days and no excesses were committed because of our elders' action. In the future, we will have to take the legal course of action. They claim to be resorting to existing laws, but there have been many arbitrary actions. [end recording]

Burmese Shan Dissidents Vow To 'Hunt Down' Khun Sa

*BK1101074396 Bangkok THAILAND TIMES
in English 11 Jan 96 p A1*

[Unattributed Report]

[FBIS Transcribed Excerpt] Mae Hong Son — Shan splinter combatants are prepared to hunt down Muang Tai Army [MTA] leader Khun Sa and cooperate with another Burmese minority group, the Karenni, to launch a joint attack on the Burmese military in order to redeem the minorities' prestige, a Shan soldier said yesterday.

"Khun Sa is a traitor to the Shan State, and he will be pursued and punished," a close aide to Maj Kanyord, the Shan State National Army (SSNA) leader as saying.

The SSNA was established last year after several members abandoned the MTA among allegations that the organization's leader had favored ethnic Chinese Haw than ethnic Shan.

SSNA leaders met yesterday to establish a new temporary stronghold at Khreu Hill, in the heart of Shan State, a soldier stationed at the Thai-Burmese border opposite Mae Hong Son province reported.

The MTA, led by Khun Sa, allowed Burmese troops to occupy the MTA headquarters in Ho Mong early this month, and officially surrendered to the Burmese government on Sunday.

Shan soldiers who disagreed with the ethnic Chinese Haw leader's decision fled from Ho Mong before the Burmese entered their headquarters and took refuge along the Thai-Burmese border opposite Mae Hong Son.

The source said a permanent military base cannot be established at the moment due to fears that the new stronghold would be targeted by the Burmese military.

About 10,000 SSNA troops, led by Maj Kanyord, will cooperate with the Karenni National Progressive Party (KNPP), since the two ethnic groups share the same goal, to attack the Burmese forces.

Cooperation between the two groups sharing the border will strengthen their troops and be mutually beneficial, as they will be able to take refuge in each other's areas when attacked by Burmese troops.

The Burmese armed forces will never be able to eradicate these two ethnic groups, the source said. "Khun Sa's surrender doesn't mean that there will be an end to fighting in Shan State, since the Shan troops will not give up," the source said.

On Monday the KNPP managed to retake one of its military bases seven km above Doi Saeng.

KNPP leaders Gen Aung Than Lay and Lt-Gen Ba Thu fled the area on Saturday and are reportedly seeking shelter in Ban Huai Mae Surin village in the Khun Yuam district of Mae Hong Son, and waiting to reunite the KNPP troops scattered along the border. [passage omitted]

Business Deals Between Thai Merchants, Burmese Karen Groups

*BK0701121096 (Internet) BurmaNet News in English
6 Jan 96*

[Editorial by "BurmaNet Editor": "Thai Merchants and the DKBA"]

[FBIS Transcribed Text] The KNU [Karen National Union] used to allow Thai businessmen to run several sawmills along the Moei River. The sale of teak provided a significant source of income for the KNU. After the KNU lost Manerplaw and Kawmura, they also lost control of many of the sawmills. The DKBA [Democratic Karen Buddhist Army] have taken over some of these, and Thai merchants have been eager to continue doing business, no matter who is in charge.

One small sawmill still in KNU hands has faced repeated attacks by the DKBA. Located west of Mae La camp on the Kawthule side, the sawmill has been attacked three times. The first time, the KNU guards there were caught unaware, and the DKBA captured some KNU arms. The second time, the KNU knew beforehand and shot at the DKBA as they came in. The DKBA troops radioed nearby SLORC [State Law and Order Restoration Council] troops for reinforcements, but the SLORC only shelled three mortars. (According to a KNU official, in previous attacks on Karen refugee camps, the SLORC has provided much more support than this.) Twenty DKBA troops launched a third strike around the 10th of December.

A camp official in Mae La claims that a Thai merchant has made a deal with both sides in order to keep this sawmill running. He pays an equal sum to the KNU, who provide security, and to the DKBA, who with the

SLORC, control much of the territory in that area. It seems that the DKBA are not satisfied with splitting the profits and are seeking full control of the sawmill.

Several sources have reported that DKBA officers and soldiers often go to Mae Dan, a Thai border town near Sho Klo camp, to buy supplies. Although the DKBA have killed several Thais in the area in the past few months, it appears that Thai merchants just can't resist doing business with them. This puts the Thai military and police forces stationed along the border in a difficult position. How can they get tough with DKBA intruders when Thai merchants are happily doing business with them on both sides of the river? Some local Thais and Karens have suggested that certain Thai authorities themselves are engaged in commerce with the DKBA.

It would seem that even from the Thai perspective, doing business with the DKBA should be considered destructive rather than constructive engagement.

Burmese KNPP Report Provides Details of SLORC Offensive

*BK1001085896 (Internet) BurmaNet News in English
8 Jan 96*

[Report issued by the Karenni National Progressive Party [KNPP]; place, date not given: "SLORC Offensives in Karenni State"]

[FBIS Transcribed Text] Name of the SLORC [State Law and Order Restoration Council] operation: Pyi Nyein Aye (Peace in the nation)

Name of the SLORC commander: Lieutenant Colonel Nyi Nyi Hlaing

SLORC battalions in Kauk Kauk battle field: 337, 428, 429, 578, 531, 102, 72, 427, 438

1. 24/12/95 — The SLORC began the battles using the heavy guns.

2. 2/1/96, 09:00 am — The SLORC launched another offensive with more manpower and weapons.

Htar Na Khwel battle field news:

SLORC battalions: 250, 336, 261, 423, 421, 54, 426, 425, 424, 420

1. 28/12/95 — The SLORC's offensive against Nwar Gone (or Htee Htae Camp) started at 05:00 am and ended around 03:00 pm.

2. 31/12/95, midnight — The SLORC launched simultaneous assaults on both Htee Htae camps.

3. 1/1/96, 14:00 pm — The KNPP troops withdrew from both posts.

4. 2/1/96, 10:00 am — The battles continued in the area and the fighting died down in the evening.

5. 3/1/96, at dawn — The SLORC continued their assaults on other camps in the area and the fighting died down in the evening.

6. 4/1/96, at dawn — Using more manpower and weapons, the SLORC launched offensives against Htar Na Khwel and Dawl Takhae camps. After heavy clashes, the KNPP troops retreated from both camps.

7. 5/1/96, from dawn to the evening — The fighting continued.

The weapons the SLORC uses in the offensive: 60 mm, 75 mm, 61 mm, 81 mm, 82 mm, 84 mm, 120 mm, 189 mm, .5 inch. [figures as received]

The SLORC lost 70 men and 20 wounded, and the KNPP lost one man and two others listed as missing during the clashes from (28/12/96) to (5/1/96).

Please note: Most of the SLORC troops are stationed in Kayah (Karenni) State. (Sources: KNPP, Government of Karenni)

Burmese KNU-SLORC Peace Talks, Rights Abuses Reported

BK1301120396 (Internet) BurmaNet News in English 12 Jan 96

[Report by All Burma Students' Democratic Front News Agency in Dawn Gwin: "Human Rights abuses going on in Karen State after the preliminary talk" — date not given]

[FBIS Transcribed Text] On 13, December, 1995, a Karen National Union [KNU] delegation left for Moulmein and Rangoon in response to the Slorc's [SLORC] invitation to talk about arrangement for peace talk. Seven-member led by Pdoh Klee Say met with Slorc officials and returned back to headquarters on 28, December.

According to the KNU delegation, the talks consisted of a preliminary exchange of views concerning the desirability of achieving peace in Burma. The ceasefire process is going on as the second delegation of KNU will be sent again to Pa-an in the second week of February, 1996. However, in the mean time of cease-fire process, at 4:00 pm on December 29, 1995, about 150 Slorc troops from Light [Infantry] Battalion [LIB] No(63), under the command of Division (77) led by Major. Than Win attacked Saw See Phoe village, in Papun township, Karen State with small and heavy weapons. The troops opened fire into the houses and looted and destroyed all the valuables and properties by the villagers. They ransacked each house taking

whatever was useful. Some villagers who were not fast enough to run away were arrested by the troops and beaten up.

Similarly, On 21, December 1995, at 8:45 am, when the official Karen New Year ceremony joined by the villagers nearby at Wah Raw village was nearly finished, about 200 Slorc troops from the 106 Light Infantry Division led by San Lwin and the 343 Light Infantry Division led by Major Nyunt Tin opened fire on the civilians. They beat Saw Plaw Doh from Yaung Suu village to death. They also shot and wounded Saw Oo Yeh from Wah Baw village and Saw Pah Way from Klo Law village. The troops later entered the village and looted and destroyed the villagers property. They also took all the money they could find and stripped watches and necklaces off the villagers.

Sel Pho Hta, Arnel Khaw Da, Kalaw Hta, Thay Phla Hta, Kala We Del, Maw Khaw Del, Bob Thay Del village in Luthaw district, Papun township were ordered to move before 13, February, 1995. They would be burnt down [if] they fail to do the order, according to the order issued by joint column of LIB 391 and LIB 105. Villagers from these unfortunate villages are fleeing into other places and they become the internally displaced person in Burma.

Kel Pa Hta village in the same region was burnt to ash on December 29, 1995 by Slorc troops from LIB 391 and LIB 105 joint column. The military accused the village for being having communication with the KNU troops.

General Mya of KNU said on January 4, 1995 concerning with these ongoing human rights abuses in the Karen State while the cease-fire process is underway. [sentence as received] He said that he deeply concerned the destroying and forced relocation of the villages, arbitrary arrest and execution against the civilians in Toungoo township, Thaton township and Papun township while the KNU is attempting to solve the political problems on the political roundtable in order to gain the genuine internal peace. [sentence as received]

Brunei, Malaysia & Singapore

Malaysia

Malaysian Bosnia 'Implementation Unit' Group Leaves

BK2101141996 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 21 Jan 96

[FBIS Translated Text] Two-hundred and eighty-six members of the first batch of Malaysia's additional contingent, MALCON 1, have left for Bosnia. Minister

of Defense Datuk Syed Hamid Albar said that the second batch is scheduled to leave on 2 February. The total number of soldiers is 1,533.

[Begin Hamid recording] This time, the difference is that they are no longer called a peacekeeping unit; they are an implementation unit. Included in our current contingent are civilian groups. [end recording]

The MALCON 1 is made up of members of the 4th Royal Armor Regiment, two Rangers units, and a mixture of units. They are expected to serve in Bosnia for six months. The Malaysian contingent will be placed in the British soldiers' sector in Bihac and the surrounding area. At the moment, 971 personnel of the MALBATT [Malaysian Battalion] are already in Bosnia.

Hamid has said that the government is paying all the costs of the current operation to prove the country's commitment to contribute to the efforts to resolve the Bosnian issue. Malaysia is also interested in helping in the reconstruction of Bosnia.

Earlier, Hamid inspected a parade mounted by 20 officers and 400 men led by Lieutenant Colonel Baharuddin Haji Mustapha. They include some members of the MALCON 1.

Canada's Chretien on Desire for More Involvement in Asia

BK1901105196 Kuala Lumpur Voice of Malaysia in English 0800 GMT 19 Jan 96

[FBIS Transcribed Text] Canada, long considered more of a European and North American state, wants to be more involved in Asia. This was indicated by Canadian Prime Minister Jean Chretien at the opening of the first Canada-Malaysia Business Forum in Kuala Lumpur.

He said Canada did not have the baggage of having an imperial past. Canada had been working in partnership since the earliest days of its independence to help the old modern Asia within Malaysia and throughout the region.

It wants to expand its partnership in sustainable development, in business, human resources, and technology. To assist Malaysia in reaching its aim of being a developed nation by the year 2020.

Chretien arrived yesterday for a two-day official visit at the invitation of Prime Minister Datuk Sri Dr. Mahathir Mohamed. Later, their Majesties the King Tuanku Jaafar and Queen Tuanku Najihah granted an audience to Chretien and his wife at the Negeri Sembilan Palace in the federal capital.

Singapore

Singapore's Lee Hospitalized for Chest Pains

BK2001092196 Singapore THE STRAITS TIMES in English 20 Jan 96

[10.30 AM News Flash] — received via Internet]

[FBIS Transcribed Text] Senior Minister Lee Kuan Yew has been admitted to Singapore General Hospital after suffering chest pains.

A statement from the Prime Minister's Office at 10.30 am today (Jan 20) said Mr Lee had been having the pains over the past few days during exercise.

He was seen by his physician and cardiologist at the Singapore Heart Centre on Thursday.

Examinations, including an exercise stress test, suggest the possibility of a narrowing of the coronary arteries.

He was admitted to the hospital on Friday evening for observation and for an angiographic study of the coronary circulation today.

He is expected to remain in the hospital overnight.

Singapore's Lee's Arteries 'Successfully Opened'

BK2001132896 Singapore Radio Corporation of Singapore in English 1300 GMT 20 Jan 96

[FBIS Transcribed Text] Senior Minister Lee Kuan Yew has had a comfortable night in hospital with no symptoms.

A statement from the Prime Minister's Office says a coronary and thoracic examination on Mr. Lee Kuan Yew was carried out this afternoon. It showed a significant narrowing of one coronary artery at two different sites. The statement adds that the function of the heart is completely normal with no evidence of muscle damage. Both areas of narrowing in the artery were successfully opened up with balloon angioplasty with no complications. The whole procedure was completed at 4 PM.

The statement says Mr. Lee was transferred to the Cardio-Thoracic Intensive Care Unit where he will be under observation and close monitoring for the next 24 hours. Mr. Lee was managed by a team of cardiologists and [physicians] led by Dr. Alfred Tan, a senior consultant cardiologist and director of the Singapore Heart Center.

Singapore's Lee Out of Intensive Care

BK2201053896 *Singapore THE STRAITS TIMES*
in English 22 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Senior Minister Lee Kuan Yew is out of intensive care but will remain under observation in the Singapore General Hospital for a day or two, his press secretary said last night.

Madam Y. Y. Yeong said his doctors had told him they would like to keep him under observation and monitor his progress, adding: "Everything is fine." [passage omitted]

Cambodia**Khmer Rouge Criticizes U.S. Assistant Secretary's Visit**

BK2001090996 (Clandestine) *Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian* 2330 GMT 17 Jan 96

[Unattributed commentary]

[FBIS Translated Text] All of the Cambodian people, both in rural and urban areas, have been victimized by the communist Vietnamese war of aggression for 17 years. Now, millions of Cambodians are being deprived of their land and houses and are starving. Every day they are dying one after the other because of war, starvation, and disease. They have been shot and killed by the two heads, the communist Vietnamese puppets. They have also been accused and imprisoned, and so on. Cambodia has been seriously victimized beyond words.

Cambodia is longing for peace and national reconciliation. Now, this guy Winston Lord has come and declared that military aid will be given further to the two heads, enabling them to continue the war to exterminate the Cambodians. Winston Lord's action is against the Cambodian nation and its people. He is one of the top war criminals doing away with the Cambodian nation and people. He must be prosecuted for his serious crime of killing the Cambodian people. The Cambodian people condemn with outrage this top war criminal.

By all appearances, the Cambodian victims have no alternative other than to continue uniting around the Provisional Government of National Union and National Salvation in fighting the two heads, the instruments of war of communist Vietnam and the U.S.-led alliance, more vigorously until they are completely terminated, and until Cambodia achieves national reconciliation and regains lasting peace.

Cambodia's Hun Sen Welcomes Spanish Investors

BK0801060296 *Phnom Penh THE CAMBODIA TIMES* in English 31 Dec 95 -6 Jan 96

[Report by Seng Charlie — received via Internet]

[FBIS Transcribed Text] Phnom Penh — The Kingdom of Cambodia welcomes intending investors from Spain, said Samdech Hun Sen, Second Prime Minister when speaking to Edouard Solec Forastic, president of the investment Group of Spain. Hun Sen received Edouard and his entourage at his country residence at Kandal Province recently.

The Second Prime Minister briefed his guests on the Investment Law which he said provides the most favorable term and conditions for investors compared to that of other countries in the region.

Last week Edouard's Company and a local firm P. Nimex reached an agreement on mutual co-operation working towards the realisation of the investment plan put forth by the group. According to Edouard, the plan covers a free-trade zone at Sihanoukville where heavy industry will be carried out.

"We plan to create a recycling factory for metal and plastic waste and a tobacco factory on an island at the zone," Edouard said and added that an international commercial bank and an agricultural development bank (ADB) was also in the pipeline.

"The ADB will be based in Phnom Penh with an investment capital estimated at US\$500 million, mainly to be used for rural development and agricultural activities," he said.

"We will provide loans to farmers to facilitate and develop their cropping activities. We will have farm equipment, either manual or mechanical to loan to them.

"Samdech Hun Sen is strongly satisfied with our agricultural investment plan," he said.

The plan also includes the building of an international hotel and casino at Sihanoukville but it is not a project very high on the priority list.

"Samdech Hun Sen told me that Ariston Ltd is carrying out a similar project which entails the building of an international hotel and casino. We do not want our plans to harm any existing investment here," Edouard said.

The building of a cement factory is also included in the plan, with Edouard proposing a site somewhere in Kampot province.

"If the Government says 'Go ahead' we will begin feasibility study shortly," Edouard said.

"I would like to affirm that the establishment of the Agriculture Development Bank will be the first thing done and in the meantime we will embark on a feasibility study of the free-trade zone.

Concerning relations between the Kingdom and Spain, Edouard said he would act as an intermediary to bring the two governments closer.

"It is not difficult to have closer relations between the two government since both countries have a monarchy-based system," Edouard said, adding "I am determined to bring about closer diplomatic relations starting with the flow of greater Spanish investment into this Kingdom."

Indonesia

East Timor Leader Abilio Araujo Interviewed

BR1901142496 Lisbon DIARIO DE NOTICIAS
in Portuguese 17 Jan 96 p 8

[Interview with East Timorese leader Abilio Araujo by Abel Coelho De Moraes; place, date not given: "I Want To Meet With Xanana"]

[FBIS Translated Text] "The Indonesian Government agrees that [imprisoned Timorese resistance leader] Xanana [Gusmao] is part of the solution to the Timorese problem," Abilio Araujo said to DIARIO DE NOTICIAS in an interview held just a few hours before [Portuguese Foreign Minister] Jaime Gama said he was prepared to meet in Jakarta with the leader of the Timorese resistance. Gama is to participate in the reconciliation meetings, said Araujo, who also said that he has obtained guarantees from Indonesia that the Timor transmigration policy will be canceled.

[Moraes] What is your assessment of your trip to Indonesia and your meeting with [Indonesian President] Suharto?

[Araujo] My assessment is extremely positive. In the first place, Indonesia has complied with the terms and conditions governing my visit. The visit took place within the context of reconciliation meetings which I launched in 1993, and in this respect all the contacts I made with the Indonesian authorities were aimed at calling on Jakarta to allow the continuation of the intra-Timorese dialogue. The authorities and the president guaranteed that the dialogue would continue. Also within the context of demands which emerged from the meetings, I would like to stress that the Timor transmigration policy is to be canceled. I was guaranteed that, given the specific nature of things and the situation in the territory, the government has stopped promoting this policy.

[Moraes] Within the framework of the intra-Timorese dialogue, to what goals could the Timorese people aspire?

[Araujo] I think the first is to bring together the Timorese leaders to discuss issues, something which could then lead to consensus. These issues include the "Timorization" of public, social, political, and economic life.

[Moraes] Do all the people participating in these meetings subscribe to this view?

[Araujo] Everyone talks in private — here on the outside, and there on the inside. But so far we have been unable (and I include myself in this group) to come up with a single, consistent stance on these issues. This is why I think the dialogue is important, because there are objectives which I predict will be shared by everyone: the safeguarding of the physical integrity of the people of Timor and the maintenance of the cultural identity of the Timorese people.

[Moraes] Do you think that this — namely physical integrity, i.e., the respect of human rights and the preservation of the cultural identity — is the most one can hope to gain from Indonesia, or is it possible to raise one's expectations?

[Araujo] I think that it is legitimate to expect more. But we have to start somewhere.

[Moraes] But is this not something that goes beyond cultural identity and human rights?

[Araujo] Once consensus has been reached on these issues then we can raise the questions with Indonesia. In Jakarta I noticed that there is an underlying desire to improve or even change the situation. But this depends to a large extent on the Timorese people. You have to understand that until recently there were two diametrically opposed positions: integration or referendum. It is by comparing two unreconcilable positions that I have come up with a third path for finding a dynamic mechanism that can generate a fresh dynamic process.

[Moraes] Should this dynamic process be expanded to include all resistance leaders?

[Araujo] Reconciliation is a process which has to be comprehensive. I think that everyone should participate.

[Moraes] Everyone?!

[Araujo] Xanana Gusmao, Ramos-Horta, Mario Carrascalao, Jose Carrascalao, Abilio Osorio — everyone.

[Moraes] Who will attend the next meeting?

[Araujo] According to my information the same people will be there who were at the meeting in Austria. But we are going to need to hold more meetings. I am one of those people who thinks it is very important for the meetings to be held in Timor.

[Morais] Is it possible that Xanana Gusmao could attend these meetings?

[Araujo] I hope so. And I will try to make my contribution to ensure that Xanana can be present at the meetings.

[Morais] How would you describe the human rights situation in East Timor?

[Araujo] I still think there are cases of human rights violations when troops enter houses at any time of day with impunity. This is one of the things I will bring up in Jakarta, and the central commands have already guaranteed me that steps will be taken to stop this.

[Morais] Were human rights discussed during the meeting with Suharto?

[Araujo] Yes, in a general way. But I do not want to go into further detail.

[Morais] You mentioned Xanana Gusmao. Do you keep in touch with him?

[Araujo] Not directly. When I was in Jakarta, I sent him my best wishes via friends and he wrote me a very nice letter. I also contacted his right-hand man and talked on the phone with people who are in prison with him.

[Morais] Will you meet with Xanana when you return to Indonesia?

[Araujo] During my next visit to Indonesia I am going to try my hardest to meet with Xanana. I would like the main aim of my visit to be to meet with him and discuss the path we are exploring.

[Morais] Will the Indonesian authorities allow this meeting to take place? Second question: If the meeting does take place, would that not bother certain segments of the regime?

[Araujo] With regard to the Indonesian authorities, I do not think that they will set out any obstacles. If there are any they will have to be justified. With regard to other segments of the regime, I think that while we are all committed to having Xanana play his role in this process, my meeting with him will be a de facto contribution toward achieving a solution.

[Morais] Is there a place for Xanana in finding a political solution for Timor and is this recognized by Indonesia?

[Araujo] In Indonesia Xanana is considered a person with a respectable past, and this is an asset. For this

reason, he cannot be left out of the picture when it comes to finding a solution to the Timor problem.

E. Timor Rebel Offers To Mediate in Hostages Issue

BK2201033496 (Internet) INDONESIA Listserv in English 20 Jan 96

["Media Release" issued by the East Timor National Council of Maubere Resistance on 20 January 1996 — place not given]

[FBIS Transcribed Text] The hostage drama in the Indonesian province of Irian Jaya involving 4 British, 2 Dutch and 8 Indonesian citizens, held by OPM [Free Papua Movement] West Papua fighters since last week, could soon develop into a bloodbath. The Indonesian Armed Forces (ABRI) having so far failed to solve the problem are losing their patience, as once again their lack of competence becomes publicly evident. ABRI's Irian Jaya Commander yesterday announced a strong ultimatum to the OPM kidnappers, threatening a full ABRI action if the hostages are not released this weekend.

To avoid the widespread violence which can be expected from an ABRI attempt to 'resolve' the hostage problem, CNRM [East Timor National Council of Maubere Resistance] Special Representative Jose Ramos Horta last week made an offer to the governments of the United Kingdom and the Netherlands of his good services to assist in the peaceful resolution of the problem. The East Timorese Resistance has no structural or other links to the Free Papua Movement, OPM, yet personal rapports and understandings exist between these fellow victims of Indonesian military oppression. OPM leaders respect the East Timorese Resistance and the CNRM leadership for the way it has maintained the struggle for the rights of the East Timorese people over these two decades of exposure to brutal military occupation by Indonesia. In particular, Jose Ramos Horta is widely respected by West Papuans for his diplomatic skills and his professional teaching activities in peaceful conflict resolution.

With the agreement of OPM members, Jose Ramos Horta has made himself available to talk to the abductors so as to secure the safe release of the hostages, and avoid the bloodshed, mostly of innocent civilians, that experience has shown inevitably accompanies ABRI's involvement. The offer was acknowledged with interest by both governments, but has not been taken up so far. Instead, the murderous Brigadier General Prabowo Subianto, Suharto's son in law, who bears such great responsibility for ABRI atrocities and violence in East Timor, on which he based his rapid rise through the

military ranks, has been put in charge of the Irian Jaya hostage military rescue operation.

With the experience accumulated in two decades of tragic East Timor history, CNRM appeals for pressure on the Indonesian government to prevent ABRI from launching an ultimately futile action in Irian Jaya, certain to result in large human suffering and bloodshed of innocents, only serving Suharto's son in law to further professional credits.

Jose Ramos Horta reiterates his offer of good offices to help to peacefully resolve the Irian Jaya hostage issue with the OPM West Papua fighters.

Efforts To Free Indonesia Hostages Show 'Bright Signs'

*BK2001094696 Jakarta ANTARA in Indonesian
0635 GMT 20 Jan 96*

[Report by Benny Siga Butar Butar]

[FBIS Translated Excerpt] Wamena, 20 Jan (ANTARA) — Efforts to release 14 researchers, six of whom are foreigners taken hostage by the Irian Jaya security disturbance movement [GPK—the official term for the OPM or Free Papua Movement] since 8 January, have shown bright signs. Twelve other hostages have been released.

The Armed Forces of the Republic of Indonesia [ABRI] has taken the lead in the process to release the hostages. Earlier, the GPK movement seemed to have had the upper hand. [passage omitted]

The ABRI's appointment of clergymen such as Irian Jaya Bishop Munninghoff, Paul Burkhardt, and Andreas van der Boel as mediators has been regarded as an appropriate because the kidnappers deeply respect the clergymen, who have a special place with the kidnappers. [passage omitted]

Ultimatum [subhead]

The military in Wamena have given an ultimatum to the kidnappers to settle the case.

Major General Duniya, commander of the Trikora 8th Military Region Command, made the widely broadcast ultimatum on Friday evening that the kidnappers must settle the case by the end of this week.

The deadline has raised questions on whether the ABRI will launch a military operation as a last resort to free the hostages.

Indeed, there was increased activity before the regional military commander made this statement. [sentence indistinct]

Reacting, both the regional military commander and Brigadier General Prabowo, commander of the Army's special force, said a military operation would be launched if persuasive measures did not work.

"The ABRI leadership in Jakarta has instructed us to free the hostages," Prabowo said.

German Defense Attache Lieutenant Colonel Bruno Hasenpush has praised ABRI's wise attitude. ABRI will use force only as the last resort, that is if the GPK desperately kills the hostages.

"As a militaryman, I can understand ABRI's steps. Nevertheless, the worst scenario has been factored in," said Bruno, who attended the Army Staff and Command School in Bandung in 1986.

According to him, that will depend on the GPK. If it acts foolishly, it will lose because its members will be killed in an armed clash.

"However, I think such a step will be irrational and that it will not be taken," Bruno said.

Indonesian Kidnappers Extend Ultimatum to Military

*BK2101085396 Jakarta ANTARA in Indonesian
1506 GMT 20 Jan 96*

[FBIS Translated Excerpt] Wamena, 20 Jan (ANTARA) — The Irian Jaya security disturbance movement (GPK) [an official term for the OPM or the Free Papua Movement] who have taken 14 hostages — six foreign researchers, seven Indonesian academics, and one clergyman — in Mapanduma village, Tiom subdistrict, Wamena, have finally extended the ultimatum given by the military to Monday.

"We received the reply from the kidnappers on Saturday. The ultimatum does not mean that the ABRI [Armed Forces of the Republic of Indonesia] will launch a military operation, but we want make sure that the GPK will release the hostages," sources in Wamena told ANTARA on Saturday night.

Major General Duniya Nailima, commander of the Trikora 8th Military Region Command, made the ultimatum on Friday that the ABRI is giving the kidnappers time to settle the case by the end of this week, 21 January.

ABRI is planning to send three church officials — Andreas van der Boel, Paul Burkhardt, and Munninghoff — on Monday to mediate with the GPK.

Military sources in Wamena said that up to this moment the ABRI still feels that by using a persuasive approach and making the community leaders act as mediators,

there is a good chance of getting the hostages freed.
[passage omitted]

Commercial Flights to Irian Jaya Hostage Site Suspended

*BK2201080896 Jakarta MERDEKA in Indonesian
22 Jan 96 p 1*

[Unattributed report]

[FBIS Translated Text] Wamena, Sunday, Merdeka — Security forces in Irian Jaya has prohibited journalists from visiting Mapunduma village, the site where the kidnapping took place. The village and its surrounding areas have been closed to air traffic.

Lieutenant Colonel Maulud Hidayat, head of the Trikora 8th Military Region Command's Information Unit, told reporters in Jayapura that flights to Mapunduma have been halted and commercial air planes have not been allowed to fly over the area since the Irian Jaya security disturbance movement (GPK) kidnapped 14 researchers.

Earlier, several journalists planned to hire a helicopter to visit the hostage site, which until now no mass media agency has an illustration of.

"The flight prohibition is imposed to ensure a smooth process in the efforts to release the hostages, which until now is carried out through persuasion," Maulud said.

Meanwhile, about 20 journalists already in Wamena have been trying to hire a missionary helicopter. However, its owner has refused to rent it.

"For the moment, there is no permit for direct flights to Mapunduma," a worker of the missionary-owned aircraft said. [passage omitted]

Indonesian Kidnappers Warned of Possible Military Operation

*BK2201091996 Jakarta ANTARA in Indonesian
0810 GMT 22 Jan 96*

[FBIS Translated Excerpt] Jakarta, 22 Jan (ANTARA) — Lieutenant General Suyono, chief of the General Staff of the Armed Forces of the Republic of Indonesia (ABRI), has not ruled out a military operation to free the hostages held by the GPK [security disturbance movement, which is the official term for the OPM or Free Papua Movement] if the GPK fails to meet the deadline to do so.

"We are investigating many ways to secure their release. A military operation or another kind of operation are possible," the chief of the ABRI General Staff told reporters about the latest developments in the hostage drama in Wamena, Irian Jaya. He was addressing reporters after seeing off "police officers" to Bosnia-

Herzegovina at the Department of Defense and Security in Jakarta on Monday.

The chief of the ABRI General Staff quoted the commander of the Trikora Military Region Command as setting Monday, 22 January 1996, as the deadline for the GPK to release the hostages. "We are monitoring the developments," he added. [passage omitted]

Irian Jaya Kidnappers Free Local Hostage; 13 Remain

*BK2201065096 Jakarta ANTARA in Indonesian
0509 GMT 22 Jan 96*

[FBIS Translated Text] Wamena, 22 Jan (ANTARA) — Security forces again proved that the persuasive approach was productive when another hostage, Yakobus [Wendidi], was freed. Thirteen persons remain held as hostages.

"Mr. Yakobus arrived at about 1035 East Indonesian Standard Time along with his wife, their baby, and the three clergymen who were sent by the security forces to meet the kidnappers this morning," chief representative of MAF [Mission Aviation Fellowship] in Wamena Andy T. [not further identified] told ANTARA in Wamena on Monday.

MAF planes and helicopters have been frequently used by the Armed Forces of the Republic of Indonesia (ABRI) to drop food and medicine and to fly mediators to meet the hostages and the GPK [security disturbance movement, which is the official term for the OPM or Free Papua Movement].

Artillery Lieutenant Colonel Sumertha Ayub, commander of the Wamena 1702 Military District Command, confirmed that the hostage had been released by the GPK.

"Truly, we have freed Yakobus, his wife, and their six-month-old baby. They are now under treatment at the medical room of the military district command," Ayub told ANTARA at Wamena Airport where he picked up Infantry Lt. Col. Maryoto, assistant for operations to the commander of the Trikora Military Region Command.

Yakobus' wife and the baby were released earlier, but they remained in Mapunduma Village, and the three were flown to Wamena on Monday morning.

With the release of Yakobus, only 13 hostages, including six foreigners, remain in the GPK's hands.

When asked about the possibility of freeing all the remaining hostages in two to three days or during this week, the military district commander said: "We will see because our efforts have been successful step by step."

Earlier, the "most senior military officer" in Wamena said the military was trying to and hoped that it would get a breakthrough in two to three days.

Reporters, who attended the briefing, have interpreted this as the ability to release all the hostages without bloodshed and to persuade the GPK members to return to the national fold.

According to Audy, an MAF plane flew Paul Burkhardt, Andreas van der Boel, and Gobay (three churchmen) at [time indistinct] East Indonesian Standard Time and arrived in Mapunduma Village at 0700 East Indonesian Standard Time.

"The airplane returned to Wamena at 1035 East Indonesian Standard Time with six passengers aboard," he said. [passage indistinct]

Indonesia Rejects Rival Islamic Group's Leadership

BK1901133896 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 Jan 96

[FBIS Translated Text] The government has refused to recognize the rival executive committee of the Nahdlatul Ulema [NU] Islamic group, formed at an extraordinary congress organized by a NU faction at the Pondok Gede Pilgrimage Center last Wednesday.

Speaking to reporters in Jakarta, Sutoyo N.K., director general of sociopolitical affairs of the Home Affairs Department, said an earlier executive committee formed after the NU congress in Cipasung in late 1994 is the only one the government recognizes. He added that Abu Hasan, leader of the rival NU executive committee, is someone who does not trust the government.

Philippines

Philippines Campaign Against Terrorism Continues

BK1001044296 Manila MANILA STANDARD in English 5 Jan 96 p 2

[Report by Arnold Atadero]

[FBIS Transcribed Text] The ongoing campaign against international terrorism gained an added boost yesterday when the Bureau of Immigration received from the National Intelligence Coordinating Agency [NICA] a list of about 300 suspected foreign terrorists who should be denied entry into the country.

The NICA, headed by National Security Adviser Jose Almonte, received the dossiers from their counterparts abroad, particularly the International Police (Interpol).

In a corollary move, Immigration Commissioner Leandro Vercelles issued a memorandum limiting the stay here of foreign tourists from the normal 59 days to just 30 days.

The memorandum covers citizens from so-called high-risk countries like Pakistan, Iran, Jordan, Palestine and China, as well as those from countries categorized by the foreign office as restricted.

Vercelles said only North Korea and Afghanistan, where homegrown terrorists of the Abu Sayyaf operating in Mindanao had reportedly trained militarily, are considered restricted countries.

Cambodia has been reclassified as high risk.

Citizens of restricted countries are required to have their visa applications to Manila approved by the Department of Foreign Affairs home office. Those from high-risk countries need not have their applications approved by home office.

Vercelles also said in his memorandum that citizens of high risk countries should only be issued entry visas from their country of origin.

It was noted that most of the alleged foreign terrorists arrested in a series of operations launched in Metro Manila and nearby provinces agents were issued entry visas from countries other than their countries of origin.

Philippines Charges Filed Against Suspected Terrorists

BK1201124596 Quezon City MALAYA in English 6 Jan 96 p 6

[Report by Minnie Cadelina]

[FBIS Transcribed Text] Charges of illegal possession of explosives were filed yesterday against five suspected foreign terrorists arrested in Bulacan last month.

In a complaint filed by the Department of Justice before the Bulacan regional trial court, the five, who were holders of Pakistani passports, refused to submit counter-affidavits.

The accused were identified as Azfar Hussain, Mohammad Saeed, Mujahid Khan, Mohammad Aslam, and Mehmood Ali. They are detained at the PNP [Philippine National Police] Custodial Center in Camp Crame [police headquarters].

Bail of P [pesos] 180,000 each was recommended.

Found in their possession during the PNP raid on Dec. 16 were a dynamite stick, two detonators, a foot-long detonating cord, two pieces of C-4 type plastic, and a fragmentation hand grenade.

The suspects have claimed that the explosives were planted.

Senior State Prosecutor Severino Gama said the explosives alleged to have found in their possession are all of military issue.

He added the respondents were not eligible for any license or permit since they are foreigners.

The suspects, the first batch of alleged foreign terrorists rounded up by the police last month, were being held for alleged plot to launch series of bombings in Metro Manila to disrupt the Asia-Pacific Economic Cooperation summit scheduled in November.

They were assisted during the preliminary inquiry by Pakistan Embassy officials Musurraat Zaidi and Syed Motasim Hussaim Hashmi.

At least 30 suspected foreign terrorists are in the custody of police.

Philippines Mindanao Under 'Close Watch' for Terrorists

BK1201132396 Manila THE MANILA CHRONICLE in English 10 Jan 96 p 3

[Report by Roel Pareno]

[FBIS Transcribed Text] Zamboanga City — Police in the Southern part of Mindanao were directed to keep a "close watch" on airports and seaports for members of an international terrorist group out to assassinate top officials attending the forthcoming Asia-Pacific Economic Conference (APEC) this year.

Chief Superintendent Orville Gabuna, PNP [Philippine National Police] Regional Command (Recom) 9 director, said intelligence reports said that terrorists described as "Middle East nationals" plan to enter the Philippines through its "southern backdoor."

Gabuna said the international terrorist group planned to enter the country through southern entry points after the PNP and military authorities imposed a tight watch on foreigners coming to the country through Metro Manila.

Philippines General Assures '100 Percent' APEC Protection

BK2201070296 Manila PNA in English 1544 GMT 19 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] [passage omitted] Gen. Lisandro Abadia, former Armed Forces chief of staff, yesterday said none of the reports that international terrorists were planning attacks on the Asia-Pacific Economic Cooperation [APEC] summit had been substantiated...

"There are so many media (reports) about threats, but so far as I know, this is not confirmed," said Abadia, who is in charge of security for the APEC summit at the Subic Free Port scheduled for November...

Abadia, who played a key role in quelling coup attempts by right-wing soldiers against Pres. Corazon Aquino, said the Philippines was "100 percent" capable of protecting leaders from the 18 APEC member-states...

If the country cannot handle security, "I would not accept the job," said Abadia who retired in 1994. More than 10,000 police and troops will provide security for the APEC summit...

Abadia said he was not aware of any specific security threats from Islamic extremists, but police officials have warned that Islamic extremists are planning to target 18 heads-of-state and ministers expected to attend the APEC summit. [passage omitted]

Thailand

Thai Politician: Reno Extradition Remark for Election

BK2001133696 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 20 Jan 96

[FBIS Translated Text] Chumphon Sinlapa-acha, Chat Thai Party executive committee member, has criticized the U.S. attorney general's remark that the extradition of Thanong Siriprichaphong to stand trial in the United States was a great U.S. success. Chumphon said such a remark was probably aimed more for the consumption of U.S. domestic political circles.

[Begin Chumphon recording] The extradition serves humanity's interest and has to do with Thailand honoring its obligation. That is the case, certainly more so than the political remark to the effect that it is the achievement of the U.S. Government merely to score a point for the Clinton administration in the election year. It is not good to exploit it that way. [end recording]

Chumphon also said Thanong extradition for trial in the United States has no negative impact on the Chat Thai Party because Thanong had already resigned from the party.

Thai Editorial: Thanong Extradition Positive Step

BK2001160096 Bangkok KRUNGTHEP THURAKIT in Thai 20 Jan 96 p 2

[Editorial: "Thought From Extradition of Thanong to the United States"]

[FBIS Translated Text] The extradition of Thanong Siriprichaphong, also known as Po Pet, on 18 January

to the United States to stand trial on narcotics charges is the first of its kind since Thailand and the United States concluded a treaty on the exchange of criminals. Such a bilateral treaty is beneficial to help both countries track down criminals.

The U.S. Attorney General welcomed Thailand's move — the United States is known for its support of law enforcement in the international community, not only where terrorism is concerned, but with regards to narcotics trafficking. While other countries have not paid great attention to the problem, as they thought it was beyond their control, and they did not know what to do with criminals who fled to other countries, the United States has always been serious about countering narcotics trafficking. In this case the extradition treaty contributes to its efforts. As the United States is serious about narcotics suppression, there is nothing unusual about the allegations it made against certain persons for their involvement in narcotics trafficking. Among those accused was Khun Sa, the drug kingpin of Shan state, who is wanted by the United States. Before Thailand extradited Thanong, Mexico turned over a suspect charged with cocaine trafficking to the United States. There are sure to be many more similar cases.

Several Thai politicians were suspected by the United States of involvement in drug trade, and this caused them to lose ministerial posts in the present cabinet. The U.S. allegations could be interpreted as a warning to those who may have links to the narcotics trade. The United States wants them to forgo narcotics trafficking. It could also be viewed as a tactic to remind them not to get more involved in the business.

In any event, the Thai court's ruling to send Thanong Siriprichaphong, or Po Pet, to the United States does not mean Thanong is a criminal. The ruling was based on the fact that there was evidence against Thanong. Whether Thanong will be released or convicted by the U.S. courts depends on the jurors' decision. The jurors will either back the prosecution, or Thanong's defense lawyer, who will certainly be trying his best to fend off all charges by the U.S. prosecutors.

What we can draw from Thanong's case is that the Thai Government is becoming more serious about drug suppression. We now realize the danger of narcotics to our resources. So far the government has yet to demonstrate that it is serious about narcotics suppression in terms of making actual efforts and bringing justice to all. Only the small traffickers have been caught, and not the ringleaders.

In terms of legal or moral penalties, it seems that the Thai people do not give adequate opposition to those involved in narcotics trafficking. For instance,

certain newspapers in Thailand have called Khun Sa the prince of Shan liberation, a name he does not deserve. Certain politicians who were implicated in drug trafficking still manage to live happily in Thai society. This is deplorable. Thanong's extradition thus serves to expose Thailand as a country with no serious efforts or capability to fight against narcotics.

Senior Thai MP: U.S. Exploiting Thanong's Extradition

BK2101103496 Bangkok THE SUNDAY NATION
in English 21 Jan 96 pp A1, A2

[Unattributed Report]

[FBIS Transcribed Text] A senior government MP has accused the United States of exploiting the extradition of former MP Thanong Siriprichaphong to boost the popularity of President Bill Clinton's Democratic Party in upcoming U.S. national elections.

Chumphon Sinlapa-acha, the brother of Prime Minister Banhan and chairman of the Political Reform Committee, told reporters yesterday that he found it "inappropriate" for the Americans to boast about Thanong's extradition.

"It's a rather boasting remark. It's inappropriate to use Thanong's case for political gain in the U.S. I want to reprimand them on this point."

Thanong was extradited, he contended, because the government wanted to strengthen ties with Washington under the Thai-U.S. treaty and help protect people around the globe from the threat of drugs.

"I find it inappropriate that President Clinton's government has used this matter as part of its political campaign to increase its popularity," said the Suphan Buri MP, who also serves as an adviser to Banhan.

Chumphon said none of Thailand's political parties was involved in Thanong's extradition and the Banhan government simply obeyed a court ruling.

Chumphon believes the extradition will not affect the image of any political party, including the ruling Chat Thai Party, from which Thanong had already resigned.

Asked whether Chat Thai will assist Thanong during his trial in San Francisco, he said it was a matter of abiding by the law, and the court must be respected.

Upon his in San Francisco on Thursday, Thanong through an interpreter pleaded innocent to drug trafficking and racketeering charges before U.S. Magistrate Owen Woodruff. His trial is scheduled to begin on Jan 25.

A federal grand jury in San Francisco indicted Thanong in 1991 for smuggling 45 tonnes of marijuana into the United States. If convicted, Thanong could face life imprisonment and up to US\$12 million (Bt[Thai baht] 300 million) in fines.

U.S. Customs Service investigators believe Thanong is worth \$160 million. In May 1993, agents seized his mansion in Beverly Hills and a Mercedes Benz.

Thanong, allegedly nicknamed "Thai Tony", unsuccessfully fought extradition. His quiet removal to the U.S. has been widely criticized.

Senate Speaker Michai Ruchuphan said yesterday he didn't know whether the sudden extradition was out of fear that he might be kidnapped, but he believes it was within the law to take him.

Senior adviser to Chat Thai Narong Wongwan, who was denied an entry visa into the U.S. on grounds of alleged involvement in the drug business, said yesterday he believes it was the media, and not Washington, that was responsible for reports on Thursday that two other Thai politicians have been involved in the drug trade.

Narong said he could comment little on Thanong's case because he has not followed it closely. He added that he only knew that Thanong was suddenly sent to the U.S. without anybody knowing. "When we learned about it, he had already been taken away."

Democrat MP Witthaya Kaeopharadai, who chairs the House committee on justice and human rights, said yesterday that whether Thanong is severely punished depends on the well-respected U.S. judiciary.

Thailand's Thanat Advises Suing Reno for Libel

BK2201034996 Bangkok THAILAND TIMES in English 22 Jan 96 p A1

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — A former foreign minister yesterday suggested that those accused on groundless allegations by the US of involvement in drug trafficking should file libel charges.

"I would sue the Attorney General in a US court if I were accused of drug smuggling without evidence like this. I would not just sit still," said Thanat Khoman, referring to Janet Reno's remarks that the US would not issue entry visas for two more Thai people accused of drug trafficking.

Lawsuits against the USA were urged after ex-MP Thanong Siriprichaphong was extradited to face drug charges in a US court.

Thanat said the US does not have to reveal its reason for denying visas to anybody, and it was not right to link the visa matter to drug smuggling.

Wattana Atsawahem and Narong Wongwan, senior members of the ruling Banhan Sinlapa-acha's Chat Thai party, were denied visas to the US due to suspected links to drug trafficking.

Thanat, who was also a former Public Inquiry Commission, said defaming people by linking visa rejection and drug trafficking without evidence is cause to file a libel charge since the accuser is a minister, not just an ambassador.

Regarding the rumor that there are 10 more Thai politicians and businessmen who are being watched by the US because of similar allegation, Thanat said these are also groundless accusations and rumors that work to defame Thai people and Thailand.

"I personally think the US wanted Thailand to be under its control by trying to act as a drug buster," said the former foreign minister.

Thanat added that he had contacted the US to request information and evidence that allegedly links two Thai politicians with the drug trade. He received nothing.

The Public Inquiry Commission led by Thanat was then set up to establish facts concerning the allegation. It is believed the commission was established to clear the two Chat Thai members so they would be able to hold seats in the government.

Talking about the extradition of Thanong, a former Chat Thai MP for Nakhon Phanom, Thanat said it was to Thanong's disadvantage to stand trial in the US.

Thai 'Source' Comments on Burma-DPRK Talks

BK2201043696 Bangkok THE NATION in English 22 Jan 96 p A3

[Report by Sa-nguan Khumrungrot]

[FBIS Transcribed Text] Burma and North Korea are quietly restoring diplomatic relations that have been strained since North Korean agents planted a bomb that killed 17 high-level South Korean diplomats, including four cabinet ministers, 12 years ago in Rangoon.

The two countries have over the past few months speeded up talks to normalize ties, and Bangkok is being used as a centre for negotiations, an informed source said.

The source said the Burmese Ambassador to Thailand, U Tin Winn, invited North Korea's charge d'affaires in

Bangkok, Pang Song-Hae, to an official reception on Jan 4 to celebrate Burma's 48th independence anniversary.

Western diplomats at the function believed that Rangoon and Pyongyang want to restore relations as quickly as possible. Ties were severed after the bomb attack on Oct 9, 1983, at the Aung San Mausoleum. The bomb detonated when then-South Korean president Chun Doo-Hwan was paying his respects to Aung San, hero in the fight for Burmese independence.

The blast killed four South Korean ministers in the delegation and 13 accompanying officials and wounded 14 others. Burma condemned the act of terrorism and cut ties with North Korea on Nov 4 that year.

Pyongyang has since tried unsuccessfully to restore the bilateral relations, but Rangoon was negative to their overtures. A number of North Korea's efforts were made through Bangkok.

Last year North Korea, suffering from a food shortage due to severe flooding, sent an official delegation to Rangoon to negotiate the purchase of rice after Thailand refused unless previous large payments were met. Rangoon was positive in its response to North Korean.

Pyongyang hoped that economic relations through "rice diplomacy" would help improve its long-lost relation with Burma.

A North Korean expert said he believed that China, which is "a good friend" to both Pyongyang and Rangoon, has played a key role in helping the two countries restore relations. Beijing hopes that normalization of relations between Burma and North Korea would lead to peace and stability in the region, he said.

Apart from Burma, North Korea has also used Bangkok as a channel to open ties with Brunei and the Philippines, the only two ASEAN countries Pyongyang does not have diplomatic relations with, the source said.

Pyongyang has repeatedly expressed its desire to become a dialogue partner in ASEAN and attend the ASEAN Regional Forum, where the grouping and its dialogue partners from developed countries, including South Korea, hold annual talks to discuss political and security issues in the Asia-Pacific region.

Since Laos established relations with South Korea on Oct 25, the communist North Korean influence has dwindled.

Only Cambodia, through personal relations between King Norodom Sihanouk and the late North Korean president Kim Il-song, has retained good relations with Pyongyang, but this still creates problems for South Koreans seeking diplomatic relations with Phnom Penh.

Chung Tae-Tong was appointed the first South Korean ambassador to Laos and will soon travel to Vientiane to formerly establish diplomatic relations.

The new North Korean Ambassador to Thailand, Yi Sam-no, has already arrived in Bangkok, replacing Yi To-sop, who recently finished his four-year term.

The source said Yi Sam-no has been a key player in three-year-old negotiations with Japan to normalize relations.

Yi was sent to Bangkok after having served as ambassador to Indonesia for less than a year.

He is keen on Southeast Asian affairs and his duties here will likely include attempts to restore relations with Burma and to establish new ties with the Philippines and Brunei, the source said.

India's Mukherjee Views ASEAN on Thai Visit

*BK1901043596 Bangkok THE NATION in English
19 Jan 96 p B2*

[Report by Chim Punthasen]

[FBIS Transcribed Text] India wants to inter-act with ASEAN for greater economic leadership toward the year 2000 and beyond, said its minister of external affairs.

Because the Association of Southeast Asian Nations has an average economic growth of six per cent, Pranab Mukherjee said India wants to work with nations like Thailand in major investment and development situations to secure regional cooperation.

"India has opened up to the world in a number of ways, in political openness, economic reform and infrastructure development, all of which are critical to foreign investors," said Mukherjee during a visit to Bangkok this week.

India's estimated 1996 economic growth is seven per cent. In 1995, it was 5.5 percent, with industrial output growing at an estimated 10 per cent.

The nation has undertaken major economic reforms since 1995 and a number of countries have invested in India over the last five years. Japanese investment ranks first, followed by US capital input.

India will soon become an ASEAN dialogue partner.

With the world's second largest market, cheap labour, numerous highly-educated individuals and a large strata of society with high-purchasing power — foreign investors have moved into India to establish industrial, manufacturing, import-export, telecommunications, finance and agricultural footholds.

Mukherjee said "investors find India attractive, but not only for its industrial and manufacturing potential. Finance is also a sector that appeals to overseas investors because the Indian middle class is comprised of 200-300 million people. Thai corporations have entered the Indian finance sector led by the Siam Commercial Bank, which opened a branch last year, and the Krung Thai Bank which will open a branch in India in 1996."

Mukherjee said Thai investors can do business in India with confidence now that it is politically stable and infrastructure is prepared for almost any large-scale operation.

Former Deputy Prime Minister Suphachai Phanthachaphak said Thailand should weave closer economic ties with India. Thailand ranked second to Singapore only as an ASEAN investor in India. He said Singaporean investors may be stronger than Thais in terms of industrial estates, but Thai investors were on the cutting edge in fisheries, agriculture and finance.

He said Thailand should actively pursue a plan to foster sub-regional economic cooperation with India. One potential sub-regional group could be comprised of Thailand, India and Sri Lanka.

Because most Thai investors tend to look toward China as an investment site, they overlook the importance of the Indian market. In 1991, India embarked on a course of economic reform. In the first four months of fiscal year 1995/1996 (from April to July), imports grew by 39.2 per cent and exports by 29.86 per cent. Real gross domestic product (GDP) growth for fiscal year 1995/1996 in India hit 5.5 per cent instead of the six per cent projected by the government, according to a report by Natwest Markets Singapore.

Vietnam

SRV Reports Leaders Meeting With U.S. Winston Lord

BK1901150596 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Jan 96

[FBIS Translated Text] U.S. Assistant Secretary of State Winston Lord is visiting Vietnam from 18-20 January.

While in Vietnam, Mr. Winston Lord paid a courtesy call on Deputy Prime Minister Tran Duc Luong and was received by Mr. Nguyen Manh Cam, foreign Minister; Mr. Do Quoc San, minister of planning and investment; and Mr. Le Van Triet, minister of trade. He also held talks with the Vietnamese delegation led by Deputy Foreign Minister Le Mai.

During various contacts and talks, the two sides exchanged views on the state and prospects of relations,

especially measures to promote increased economic and trade ties between the two countries.

The U.S. side highly appreciated Vietnam's humanitarian cooperation in searching for Americans missing in action. They also discussed various international and regional issues of mutual concern.

This is the sixth visit of the U.S. Assistant Secretary of State Winston Lord to Vietnam. The visit strengthens the understanding and common efforts to build new, equitable, and mutually-respectful ties in the interests of the two peoples and of regional peace and stability.

SRV's Vo Van Kiet Discusses Ties With PRC Ambassador

BK1601160596 Hanoi VNA in English 1514 GMT 16 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 16 — Prime Minister Vo Van Kiet received Chinese Ambassador Li Jiazhong who paid him a courtesy visit today on the occasion of his return to Vietnam for another term of office.

Welcoming the guest, Vo Van Kiet said he believed that the ambassador's return this time is favourable for his mission as the Sino-Vietnamese relations and cooperation are being strengthened and promoted. Both countries are continuing to settle their outstanding problems.

The prime minister stressed, 'in the spirit of fraternity and friendship, all differences between the two sides will be solved gradually, and the development of Vietnamese-Chinese ties is significant not only to the two neighbouring countries but also to the whole region as well as other parts of the world'.

SRV's Vo Van Kiet, Ho Chi Minh City Officials Meet

BK1701024996 Hanoi VNA in English 1255 GMT 16 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 16 — Prime Minister Vo Van Kiet has recently held working sessions with leading officials of Ho Chi Minh City on the city's traffic and urban planning in the future.

He was informed of the urban master plan, the construction tempo of major traffic projects, and policies to mobilize capital for projects relating to the construction of north-south expressway from the An Xuong intersection to Hiep Phuoc, a bridge spanning the Saigon River linking Ton Duc Thang Road with Thu Tiem, extended Le Thanh Tong Street, and the expansion of a portion of Dien Bien Phu Road to Saigon Bridge and Hung Vuong Road.

The prime minister asked the municipal authorities to develop plans on the traffic, electricity and water supply systems as well as the provision of jobs, saying that it was time for the city to work out detailed programmes and plans to build new residential quarters in order to properly relocate the population.

'In the coming five-year plan,' he said, 'the city should strive to build at least two or three new urban population clusters, basically destroy slums, and handle traffic jams and environmental pollution in old urban areas.'

In regarding to funding, PM Kiet recommended that authorities mobilise domestic sources to construct communications infrastructure in order to minimise foreign borrowing.

On this occasion, the prime minister also inspected some clearance areas on the Nhieu Loc-Thi Nghe Canal and newly-built residential areas. The total cost of dredging the 2,000-m canal and moving 13,000 households living along it is estimated at VND 240 billion (nearly USD 22 million).

SRV Customs Department Reviews 1995 Performance

BK1601160296 Hanoi VNA in English
1255 GMT 16 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 16 — Vietnam's Customs Department has revealed that last year

it dismissed and handed out administrative punishment to more than 200 staff members for misdemeanours or negligence of their duties.

The figure was discussed at two-day meeting of department senior officials last week to review 1995 activities and set targets for this year.

It was also revealed at the two-day meeting that the department discovered 11,412 violations of its decrees.

The department was also successful in preventing losses in duties of over VND 200 billion.

A target of VND 19,200 billion as revenue from duties on imports and exports for 1996 was set at the meeting.

Last year, the department managed to meet 93 percent of its target by collecting VND 13,500 billion in import and export duties, which marked an increase of 40 percent over 1994.

Custom officials also confiscated 1,800 antique items, more than 40,000 pornographic publications, 30kg of opium, 1.44 kg of heroin, 1,811 poison sprayers, and 122 kg of explosive substances.

New Caledonia

New Caledonia Parties Move Toward Independence

*BK1201124896 Hong Kong AFP in English
1146 GMT 12 Jan 96*

[FBIS Transcribed Text] NOUMEA, Jan 12 (AFP) — New Caledonia's two largest political groupings have launched a scheduled programme of negotiations aimed at consensus on possible devolution from French rule, it was announced Friday.

The pro-independence Kanak Socialist National Liberation Front (FLNKS) Thursday met the main pro-French party, the Rally for Caledonia in the Republic (RPCR), for the first in a series of talks agreed on in Paris in October.

According to an open communique released Friday, the two groups "noted their areas of disagreement" and "analysed the risk" of the talks failing.

They also agreed that certain areas of government, such as immigration and the exploitation of mineral resources, should be transferred from Paris to Noumea.

In the October meeting with French Prime Minister Alain Juppe, the three "historic partners" in New Caledonia — the FLNKS, the RPCR and the French state — agreed to search for a joint solution on the future of New Caledonia that would then be submitted to a referendum.

The initiative was first launched in 1988 with a tripartite agreement, aimed at quelling a violent pro-independence campaign by setting down a date, 1998, in which New Caledonians would hold the referendum on self-determination.

The next round of talks is scheduled for January 15.

Last month, both groups submitted blueprint plans for the future of New Caledonia, which will form the basis of planned negotiations.

On December 29, the FLNKS submitted a document to the press based on a draft constitution that the group submitted to the United Nations eight years ago.

Sketched by FLNKS president Rock Wamytan, the document said an independent state called Kanaky — derived from the native word for ethnic Melanesians — could be set up by 1998.

A number of portfolios, such as defence, the judiciary and law and order, could be retained by France under a cooperation agreement that would be negotiated with Kanaky, he said.

The agreement could continue "at least until 2001," Wamytan said.

Kanaky, under the FLNKS agreement, would have its own flag and national anthem, and would be a lay, democratic republic with a president elected by parliament. Its institutions would "take into account" ethnic Kanak considerations, as well as the islands' historic links with France.

The RPCR, which holds a majority in parliament, launched its own 1998 campaign earlier in December.

Its plan, called a "scheme for emancipation and broad decentralisation" in New Caledonia, is based on what RPCR President Jacques Lafleur calls a "30-year pact of peace and development."

Under it, there would be an elected local executive, chaired by the French high commissioner, who would retain his title as the representative of the state but not have the right to vote.

The territorial congress would also be retained, but could become a House of Representatives, with some additional authority. Assemblies in New Caledonia's three member provinces would also stay.

New Zealand

New Zealand Airports on Alert for Arms Suspect

*BK1501031396 Christchurch THE PRESS in English
9 Jan 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] New Zealand's international airports, including Christchurch, have been alerted to watch for a suspected gun-runner who is using a New Zealand-issued passport.

The man, whose identity is unknown to the police, was using a passport issued in New Zealand under the name of a dead Rotorua child, Kim Palgrave Dav. The boy died 34 years ago, aged 5 1/2 weeks.

The man is being hunted after a secret arms drop in West Bengal, India, on December 17. Indian police suspect he has fled, possibly to Pakistan or Nepal.

He is alleged to have been the organiser of an air drop of weapons worth an estimated \$15.4 million over eastern India. The drop included about 300 assault rifles and 20,000 rounds of ammunition.

He leased and co-piloted an Antonov freighter, which was forced to land at Bombay Airport by two Indian Air Force fighters on December 22. The man then escaped from airport authorities.

Detective Inspector Colin Lines, of the New Zealand police national headquarters, said yesterday the case had

received international publicity, and the man should be documented around the world as being wanted.

Asked if the police had any reason to suspect that the man might try to enter New Zealand, Inspector Lines said they did not know what the man planned.